20 Civ. 06274 (LAK)

United States District Court

for the

Southern District of New York

IN RE TRANSCARE CORPORATION, ET AL.

DEBTORS,

PATRIARCH PARTNERS AGENCY SERVICES, LLC, ET AL.

DEFENDANTS-APPELLANTS,

—against—

SALVATORE LAMONICA, AS CHAPTER 7 TRUSTEE OF THE JOINTLY-ADMINISTERED ESTATES OF TRANSCARE CORPORATION, ET AL.,

PLAINTIFF-APPELLEE.

ON APPEAL FROM THE UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK (BERNSTEIN, J.)

IN RE: TRANSCARE CORPORATION, ET AL., CASE NO. 16-10407 (SMB)

LAMONICA V. TILTON, ET AL., ADV. PROC. NO. 18-1021 (SMB)

APPENDIX TO BRIEF FOR THE APPELLANTS

Volume VIII - A0782-A1023

EXHIBIT 16

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

----------------------------------X

In re:

TRANSCARE CORPORATION, et al, DEBTORS, — Chapter 7

----------------------------------X

SALVATORE LAMONICA, as Chapter 7 Trustee of the Estates of TransCare Corporation, et al.,

Plaintiff,

VS.

LYNN TILTON, PATRIARCH PARTNERS AGENCY SERVICES, LLC, PATRIARCH PARTNERS, LLC, PATRIARCH PARTNERS MANAGEMENT GROUP, LLC, ARK II CLO 2001-1, LIMITED, ARK INVESTMENT PARTNERS II, LP, LD INVESTMENTS, LLC, PATRIARCH PARTNERS II, LLC, PATRIARCH PARTNERS III, LLC, PATRIARCH PARTNERS VIII, LLC, PATRIARCH PARTNERS XIV, LLC, PATRIARCH PARTNERS XV, LLC, TRANSCENDENCE TRANSIT, INC., and TRANSCENDENCE TRANSIT II, INC,

Defendants.

----------------------------------X

CASE NO: 16-10407 (SMB)

Jointly Administered

Adv. Proc. No. 18-1021

VIDEOTAPED DEPOSITION OF JOHN HUSSON

Monday, November 12, 2018

New York, New York

Reported by:
AYLETTE GONZALEZ, RPR, CLR, CCR
JOB NO. 150938

JOHN HUSSON (11/12/18)

A. Yep, I was copied on it.

Q. Okay. Looking at Ms. Tilton's e-mail, the one from 3:31 p.m., she says, "This is the wind down plan on Core and 911." And than she writes "It assumes that there is a foreclosure sale on the other entities." Do you see that?

A. Um-hum.

Q. Do you know what for- -- "yes"?

A. Yes, I do. Yes.

Q. Do you know what -- do you know foreclosure sale she's referring to there?

A. No. I would -- I would assume that the Article 9 is what she's referring to.

Q. Okay. And then it says "The assumption is that you will collect all the receivables as they come due from NEWCO." Do you see that?

A. Yes.

Q. And at the time, what did you understand "NEWCO" to be?

A. The entities that were going to go over to NEWCO.

Q. And go over in what -- through what

mechanism?

A. They were going to reorganize a company called -- they were going to foreclose all the assets, Transcendence was going to buy it, and they were going to reorganize around Transcendence. The other companies were going to be left just to basically dissolve and unwind.

Q. Looking at Mr. Strack's response at 6:12 p.m., if you go down toward the bottom of the e-mail, it's the second-to-last sentence, it says, "We are having Otterbourg continue their dialogue with Curtis regarding" -- and it goes on. Do you see that?

A. Yeah.

Q. Again, there's a reference to "NEWCO." To your understanding, were Ms. Tilton and Mr. Strack talking about the same thing when they referred to "NEWCO"?

A. Yes, the question with -- yes, absolutely.

Q. And there's a -- he said -- Mr. Strack writes, "Is there any update on procuring insurance for NEWCO?"

EXHIBIT 17

From:	Brian Stephen
Sent:	Wednesday, February 24, 2016 12:07 AM
To:	Peter Wolf
Cc:	Financial and Investment Law
Subject:	Please see attached
Attachments:	LGL-_20160223225130.PDF; Notice of Default and Acceleration (Executed) (02242016).pdf

Please see attached documents.

Brian D. Stephen
Senior Director, Legal
Patriarch Partners, LLC
One Broadway
New York, NY 10004
646.723.7656 Office
212.825.2038
www.patriarchpartners.com

EXHIBIT

PATRIARCH
PARTNERS AGENCY
SERVICES, LLC

One Broadway, 5th Floor
New York, NY 10004

VIA EMAIL AND CERTIFIED MAIL, RETURN RECEIPT REQUESTED

February 24, 2016

TransCare Corporation
TC Ambulance Corporation
TC Ambulance Group, Inc.
TC Ambulance North, Inc.
TC Billing and Services Corp.
TC Hudson Valley Ambulance Corp.
TCBA Ambulance, Inc.
TransCare Harford County, Inc.
TransCare Management Services, Inc.
TransCare Maryland, Inc.
TransCare ML, Inc.
TransCare New York, Inc.
TransCare Pennsylvania, Inc.
TransCare Westchester, Inc.
One Metrotech Center
Brooklyn, New York 11201
Attention: Chief Operating Officer

Re: Notice of Acceptance of Subject Collateral in Partial Satisfaction of Obligation

Ladies and Gentlemen:

Reference is made to (a) the Credit Agreement, dated as of August 4, 2003 (as modified to the date hereof, the "Credit Agreement"), among TransCare Corporation, a Delaware corporation ("TransCare"), the financial institutions and other investors from time to time party thereto as lenders ("Lenders"), and Patriarch Partners Agency Services, LLC, a Delaware limited liability company, as administrative agent ("Agent"); (b) the related Pledge Agreement dated as of August 4, 2003, made by TransCare, Trans Care Maryland, Inc., a Delaware corporation, and TransCare New York, Inc., a Delaware corporation, in favor of Agent; (c) the Security Agreement, dated as of August 4, 2003, made by TransCare and the Grantors that are signatories thereto in favor of Agent; and (d) the related Subsidiaries' Guarantee dated as of August 4, 2003 (as modified to the date hereof) made by Guarantors that are signatories thereto in favor of Agent. Capitalized terms used but not defined herein are used as defined in the Credit Agreement.

Each of the undersigned acknowledges the occurrence of an Event of Default as defined in the Credit Agreement. Pursuant to Section 9-620 of the Uniform Commercial Code, notice is hereby given of the Agent's acceptance of the subject collateral identified on Schedule A attached hereto in partial satisfaction of the undersigned entities' Obligations under the Credit Agreement (the "Subject Collateral"). The Subject Collateral is accepted by Agent in satisfaction of $10,000,000 of the Obligations, which represents a partial satisfaction of the Obligations.

If you are in agreement with the terms of this letter and agree to Agent's acceptance of the Subject Collateral in partial satisfaction of the undersigned entities' Obligations under the Credit Agreement in the amount set forth in the immediately preceding paragraph, please sign and date below.

Signature pages follow.

Very truly yours,

PATRIARCH PARTNERS AGENCY SERVICES, LLC,
as Administrative Agent

By: ______________________
Lynn Tilton
Manager

ZOHAR CDO 2003-1, LIMITED,
as Lender

By: Patriarch Partners VIII, LLC
Its Collateral Manager

By: ______________________
Lynn Tilton
Manager

ZOHAR II 2005-1, LIMITED
as Lender

By: Patriarch Partners XIV, LLC
Its Collateral Manager

By: ______________________
Lynn Tilton
Manager

ZOHAR III, LIMITED
as Lender

By: Patriarch Partners XV, LLC
Its Collateral Manager

By: ______________________
Lynn Tilton
Manager

ARK INVESTMENT PARTNERS II, L.P.,
as Lender

By: Ark Investment GP II, LLC,
Its General Partner

By: ______________________
Lynn Tilton
Manager

{P1105589.2}

By signing below, each entity (together, the "Debtors") indicates its agreement with the terms of this letter and agrees to Agent's acceptance of the Subject Collateral identified in Schedule A in partial satisfaction of the entity's Obligations under the Credit Agreement in the amount set forth above:

Date: February __, 2016

TransCare Corporation
TC Ambulance Corporation
TC Ambulance Group, Inc.
TC Ambulance North, Inc.
TC Billing and Services Corp.
TC Hudson Valley Ambulance Corp.
TCBA Ambulance, Inc.
TransCare Harford County, Inc.
TransCare Management Services, Inc.
TransCare Maryland, Inc.
TransCare ML, Inc.
TransCare New York, Inc.
TransCare Pennsylvania, Inc.
TransCare Westchester, Inc.

By: ______________________
Name:
Title:

SCHEDULE A

THE SUBJECT COLLATERAL

1. All of Debtors' personal property of every kind and description, wherever located, including, without limitation, Bank Accounts; Chattel Paper; Commercial Tort Claims; Copyrights; Copyright Licenses; Documents; Equipment (including, but not limited to, computer servers and related data); General Intangibles; Instruments; Inventory; Investment Property; Letter of Credit Rights; Patents; Patent Licenses; Trademarks; Trademark Licenses; Vehicles; and books and records pertaining to the Subject Collateral, as such terms are defined in the Security Agreement.
2. The following Contracts as such term is defined in the Security Agreement (may be subject to consent of assignment):
   a. Contract No. 07H97511 between New York City Transit Authority and TransCare New York, Inc.
   b. The equipment lease for Carefusion – LTV 1200 ventilators pursuant to Master Lease Agreement no. 062710-KB between First Financial Corporate Leasing, LLC (dba First Financial healthcare Solutions) and TransCare.
   c. emsCharts Service Agreement dated August 21, 2015 by and between TransCare Corporation and emsCharts, Inc.
3. All shares of capital stock listed on Table A, together with all stock certificates, options or rights of any nature whatsoever which have been issued or granted by any of the corporations identified on Table A as an Issuer, to the Pledgors in respect to the stock identified in Table A, but not any additional or other capital stock pledged for any other corporations that are not identified on Table A.

Table A

Issuer	Pledgor	Class of Stock	Stock Certificate Number	Number of Shares
TransCare Pennsylvania, Inc.	TransCare Corporation	Common	2	1,000
TC Hudson Valley Ambulance Corp.	TransCare Corporation	Common	2	100
TC Ambulance Corporation	TransCare Corporation	Common	2	1,000

4. All additions, accessions, substitutions, replacements, products and proceeds (whether cash or non-cash) of any of the foregoing, in whatever form, including, without limitation, proceeds of insurance.

PROVIDED, HOWEVER, that the Subject Collateral expressly does not include the following:

A. Accounts as such term is defined in the Security Agreement.
B. Any leasehold or other Contract interest, except as identified in Paragraph 2 of this Schedule.

PATRIARCH PARTNERS

One Broadway, 5th Floor
New York, NY 10004

February 24, 2016

VIA E-MAIL

To: TransCare Corporation
One Metrotech Center
Brooklyn, New York 11201
Attention: Chief Financial Officer

NOTICE OF DEFAULT AND ACCELERATION

Ladies and Gentlemen:

Reference is made to the Credit Agreement, dated as of August 4, 2003 (as modified to the date hereof, the "Credit Agreement"), among TransCare Corporation, a Delaware corporation (the "Borrower" or "you"), the financial institutions and other investors from time to time party thereto as Lenders and Patriarch Partners Agency Services, LLC, a Delaware limited liability company, as administrative agent for such Lenders (in such capacity, the "Administrative Agent" or "we"). Capitalized terms used herein but not defined herein are used as defined in the Credit Agreement.

Your failure to pay interest when due under the Credit Agreement caused an Event of Default to occur under Section 10(a) of the Credit Agreement. Because of this and other Events of Default under the Credit Agreement, the Lenders hereby declare all of the Obligations to be due and payable forthwith, and all of the Commitments to be terminated. Therefore, on the date hereof, such Obligations have immediately become due and payable, such Commitments have terminated and any fees accrued under the Credit Agreement shall be immediately due and payable.

Although the Lenders have not provided notice described in Section 5.1(i) of the Credit Agreement at this stage, the Lenders reserve the right to provide such notice at any time after the date hereof to provide that interest shall accrue at the increased rate set forth in such Section 5.1(i).

The Lenders expressly reserves all rights, powers, privileges and remedies under or in respect of the Credit Agreement and applicable legal requirements with respect to any Default, Event of Default or any other term of any Loan Document. Any past or future Loans to Borrower shall not be considered an agreement, express or implied, on the part of the Lender to make or consider

making additional Loans to Borrower or to consider modifying or waiving, or to modify or waive, any condition precedent, any Event of Default or any Default or any other term of any Loan Document. Nothing herein, in the course of dealing or in the discussions between any Credit Party and the Lender or any of its representatives, shall waive any Default or Event of Default or waive or modify any other provision of any Loan Document. No failure on the part of the Lender to exercise, and no delay in exercising, any right under the Credit Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

This letter is a Loan Document under the Credit Agreement and shall be governed by and construed in accordance with the law of the State of New York. The fact that any term or provision of this letter is held invalid, illegal or unenforceable as to any person in any situation in any jurisdiction shall not affect the validity, enforceability or legality of the remaining terms or provisions hereof or the validity, enforceability or legality of such offending term or provision in any other situation or jurisdiction or as applied to any person.

[SIGNATURE PAGES FOLLOW]

Very truly yours,

PATRIARCH PARTNERS AGENCY SERVICES, LLC,
as Administrative Agent

By: ______________________________
Name: Lynn Tilton
Title: Manager

ZOHAR CDO 2003-1, LIMITED,
as Lender
By: Patriarch Partners VIII, LLC,
its Collateral Manager

By: ______________________________
Name: Lynn Tilton
Title: Manager

ZOHAR II 2005-1, LIMITED,
as Lender
By: Patriarch Partners XIV, LLC,
its Collateral Manager

By: ______________________________
Name: Lynn Tilton
Title: Manager

ZOHAR III, LIMITED,
as Lender
By: Patriarch Partners XV, LLC,
its Collateral Manager

By: ______________________________
Name: Lynn Tilton
Title: Manager

SIGNATURE PAGE TO NOTICE OF DEFAULT AND ACCELERATION FOR TRANSCARE CORPORATION

ARK INVESTMENT PARTNERS II, L.P.,
as Lender
By: Ark Investment GP II, LLC,
its General Partner

By: ______________________
Name: Lynn Tilton
Title: Manager

SIGNATURE PAGE TO NOTICE OF DEFAULT AND ACCELERATION FOR TRANSCARE CORPORATION

EXHIBIT 18

PATRIARCH
PARTNERS AGENCY
SERVICES, LLC

One Broadway, 5th Floor
New York, NY 10004

VIA EMAIL AND CERTIFIED MAIL, RETURN RECEIPT REQUESTED

February 24, 2016

TransCare Corporation
TC Ambulance Corporation
TC Ambulance Group, Inc.
TC Ambulance North, Inc.
TC Billing and Services Corp.
TC Hudson Valley Ambulance Corp.
TCBA Ambulance, Inc.
TransCare Harford County, Inc.
TransCare Management Services, Inc.
TransCare Maryland, Inc.
TransCare ML, Inc.
TransCare New York, Inc.
TransCare Pennsylvania, Inc.
TransCare Westchester, Inc.
One Metrotech Center
Brooklyn, New York 11201
Attention: Chief Operating Officer

Re: Notice of Acceptance of Subject Collateral in Partial Satisfaction of Obligation

Ladies and Gentlemen:

Reference is made to (a) the Credit Agreement, dated as of August 4, 2003 (as modified to the date hereof, the "Credit Agreement"), among TransCare Corporation, a Delaware corporation ("TransCare"), the financial institutions and other investors from time to time party thereto as lenders ("Lenders"), and Patriarch Partners Agency Services, LLC, a Delaware limited liability company, as administrative agent ("Agent"); (b) the related Pledge Agreement dated as of August 4, 2003, made by TransCare, Trans Care Maryland, Inc., a Delaware corporation, and TransCare New York, Inc., a Delaware corporation, in favor of Agent; (c) the Security Agreement, dated as of August 4, 2003, made by TransCare and thc Grantors that are signatories thereto in favor of Agent; and (d) the related Subsidiaries' Guarantee dated as of August 4, 2003 (as modified to the date hereof) made by Guarantors that are signatories thereto in favor of Agent. Capitalized terms used but not defined herein are used as defined in the Credit Agreement.

Each of the undersigned acknowledges the occurrence of an Event of Default as defined in the Credit Agreement. Pursuant to Section 9-620 of the Uniform Commercial Code, notice is hereby given of the Agent's acceptance of the subject collateral identified on Schedule A attached hereto in partial satisfaction of the undersigned entities' Obligations under the Credit Agreement (the "Subject Collateral"). The Subject Collateral is accepted by Agent in satisfaction of $10,000,000 of the Obligations, which represents a partial satisfaction of the Obligations.

If you are in agreement with the terms of this letter and agree to Agent's acceptance of the Subject Collateral in partial satisfaction of the undersigned entities' Obligations under the Credit Agreement in the amount set forth in the immediately preceding paragraph, please sign and date below.

Signature pages follow.

Very truly yours,

PATRIARCH PARTNERS AGENCY SERVICES, LLC,
as Administrative Agent

By: ____________________
Lynn Tilton
Manager

ZOHAR CDO 2003-1, LIMITED,
as Lender

By: Patriarch Partners VIII, LLC
Its Collateral Manager

By: ____________________
Lynn Tilton
Manager

ZOHAR II 2005-1, LIMITED
as Lender

By: Patriarch Partners XIV, LLC
Its Collateral Manager

By: ____________________
Lynn Tilton
Manager

ZOHAR III, LIMITED
as Lender

By: Patriarch Partners XV, LLC
Its Collateral Manager

By: ____________________
Lynn Tilton
Manager

ARK INVESTMENT PARTNERS II, L.P.,
as Lender

By: Ark Investment GP II, LLC,
Its General Partner

By: ____________________
Lynn Tilton
Manager

By signing below, each entity (together, the "Debtors") indicates its agreement with the terms of this letter and agrees to Agent's acceptance of the Subject Collateral identified in Schedule A in partial satisfaction of the entity's Obligations under the Credit Agreement in the amount set forth above:

Date: February 24 2016

TransCare Corporation
TC Ambulance Corporation
TC Ambulance Group, Inc.
TC Ambulance North, Inc.
TC Billing and Services Corp.
TC Hudson Valley Ambulance Corp.
TCBA Ambulance, Inc.
TransCare Harford County, Inc.
TransCare Management Services, Inc.
TransCare Maryland, Inc.
TransCare ML, Inc.
TransCare New York, Inc.
TransCare Pennsylvania, Inc.
TransCare Westchester, Inc.

By: ________________
Name: Peter N. Wolf
Title: CEO

SCHEDULE A

THE SUBJECT COLLATERAL

1. All of Debtors' personal property of every kind and description, wherever located, including, without limitation, Bank Accounts; Chattel Paper; Commercial Tort Claims; Copyrights; Copyright Licenses; Documents; Equipment (including, but not limited to, computer servers and related data); General Intangibles; Instruments; Inventory; Investment Property; Letter of Credit Rights; Patents; Patent Licenses; Trademarks; Trademark Licenses; Vehicles; and books and records pertaining to the Subject Collateral, as such terms are defined in the Security Agreement.
2. The following Contracts as such term is defined in the Security Agreement (may be subject to consent of assignment):
    a. Contract No. 07H9751I between New York City Transit Authority and TransCare New York, Inc.
    b. The equipment lease for Carefusion – LTV 1200 ventilators pursuant to Master Lease Agreement no. 062710-KB between First Financial Corporate Leasing, LLC (dba First Financial healthcare Solutions) and TransCare.
    c. emsCharts Service Agreement dated August 21, 2015 by and between TransCare Corporation and emsCharts, Inc.
3. All shares of capital stock listed on Table A, together with all stock certificates, options or rights of any nature whatsoever which have been issued or granted by any of the corporations identified on Table A as an Issuer, to the Pledgors in respect to the stock identified in Table A, but not any additional or other capital stock pledged for any other corporations that are not identified on Table A.

Table A

Issuer	Pledgor	Class of Stock	Stock Certificate Number	Number of Shares
TransCare Pennsylvania, Inc.	TransCare Corporation	Common	2	1,000
TC Hudson Valley Ambulance Corp.	TransCare Corporation	Common	2	100
TC Ambulance Corporation	TransCare Corporation	Common	2	1,000

4. All additions, accessions, substitutions, replacements, products and proceeds (whether cash or non-cash) of any of the foregoing, in whatever form, including, without limitation, proceeds of insurance.

PROVIDED, HOWEVER, that the Subject Collateral expressly does not include the following:

A. Accounts as such term is defined in the Security Agreement.
B. Any leasehold or other Contract interest, except as identified in Paragraph 2 of this Schedule.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re: TRANSCARE CORPORATION, et al., Debtors.	Chapter 7 Case No. 16-10407 (SMB) (Jointly Administered)
SALVATORE LAMONICA, as Chapter 7 Trustee for the Estates of TransCare Corporation, et al., Plaintiff, - against - LYNN TILTON, PATRIARCH PARTNERS AGENCY SERVICES, LLC, PATRIARCH PARTNERS, LLC, PATRIARCH PARTNERS MANAGEMENT GROUP, LLC, ARK II CLO 2001-1 LIMITED, TRANSCENDENCE TRANSIT, INC., and TRANSCENDENCE TRANSIT II, INC., Defendants.	Adv. Proc. No. 18-1021 (SMB)

NOTICE OF DEFENDANTS' MOTION IN LIMINE TO EXCLUDE THE TESTIMONY OF PLAINTIFF'S PURPORTED EXPERT JONATHAN I. ARNOLD

PLEASE TAKE NOTICE that pursuant to the accompanying Memorandum In Support of Defendants' Motion In Limine To Exclude The Testimony Of Jonathan I. Arnold, and the Declaration of Michael T. Mervis and the exhibits annexed thereto, Defendants, through their undersigned counsel, will move for entry of an Order excluding Plaintiff's purported expert witness, Jonathan I. Arnold, from testifying at the trial of this case (the "Motion") pursuant to Federal Rule of Evidence 702, made applicable through Rule 9017 of the Federal Rules of

Bankruptcy Procedure (the "Bankruptcy Rules"), before the Honorable Stuart M. Bernstein, United States Bankruptcy Judge for the Southern District of New York (the "Bankruptcy Court"), One Bowling Green, Courtroom 723, New York, New York 10004-1408, on **July 22, 2019 at 10:00 a.m.**;

PLEASE TAKE FURTHER NOTICE that any responses or objections ("Objections") to the Motion must be in writing, shall conform to the Bankruptcy Rules and the Local Rules for the Southern District of New York, and shall be filed with the Bankruptcy Court (a) by registered users of the Bankruptcy Court's case filing system, electronically in accordance with General Order M–399 (which can be found at http://www.nysb.uscourts.gov), and (b) by all other parties in interest, on a CD-ROM, in text-searchable portable document format (PDF) (with a hard copy delivered directly to Chambers), in accordance with the customary practices of the Bankruptcy Court and General Order M–399, to the extent applicable, and served in accordance with General Order M-399 so as to be filed and received no later than **July 15, 2019 at 4:00 p.m.** (the "Objection Deadline").

PLEASE TAKE FURTHER NOTICE that if no Objections are timely filed and served, the Defendants may, on or after the Objection Deadline, submit to the Bankruptcy Court an order substantially in the form of the proposed **Exhibit A**, which order may be entered with no further notice or opportunity to be heard.

Dated: July 8, 2019
New York, New York

PROSKAUER ROSE LLP

By: /s/ Michael T. Mervis
Michael T. Mervis
Timothy Q. Karcher
Eleven Times Square
New York, NY 10036-8299
Tel.: (212) 969-3000
Fax: (212) 969-2900
Email: mmervis@proskauer.com
tkarcher@proskauer.com

Nicole A. Eichberger (admitted *pro hac vice*)
650 Poydras Street
Suite 1800
New Orleans, LA 70130-6146
Tel.: (504) 310-2024
Fax: (504) 310-2022
Email: neichberger@proskauer.com

Attorneys for Defendants

Exhibit A

Proposed Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re: TRANSCARE CORPORATION, et al., Debtors.	Chapter 7 Case No. 16-10407 (SMB) (Jointly Administered)
SALVATORE LAMONICA, as Chapter 7 Trustee for the Estates of TransCare Corporation, et al., Plaintiff, - against - LYNN TILTON, PATRIARCH PARTNERS AGENCY SERVICES, LLC, PATRIARCH PARTNERS, LLC, PATRIARCH PARTNERS MANAGEMENT GROUP, LLC, ARK II CLO 2001-1 LIMITED, TRANSCENDENCE TRANSIT, INC., and TRANSCENDENCE TRANSIT II, INC., Defendants.	Adv. Proc. No. 18-1021 (SMB)

[PROPOSED] ORDER GRANTING DEFENDANTS' MOTION IN LIMINE TO EXCLUDE THE TESTIMONY OF PLAINTIFF'S PURPORTED EXPERT JONATHAN I. ARNOLD

Upon Defendants' Motion in Limine to Exclude The Testimony of Plaintiff's Purported Expert Jonathan I. Arnold (the "Motion") and the Declaration of Michael T. Mervis and the exhibits annexed thereto; and the Court having considered the Motion and the Plaintiff's Opposition to the Motion, and the arguments of counsel concerning the Motion at a hearing before the Court on July 22, 2019; and after due deliberation thereon; and good and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.

2. The proposed expert testimony of Jonathan I. Arnold is excluded from this case.

3. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.

DATED: ___________________, 2019
New York, New York

____
THE HONORABLE STUART M. BERNSTEIN
UNITED STATES BANKRUPTCY JUDGE

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re: TRANSCARE CORPORATION, <u>et al.</u>, Debtors.	Chapter 7 Case No. 16-10407 (SMB) (Jointly Administered)
SALVATORE LAMONICA, as Chapter 7 Trustee for the Estates of TransCare Corporation, <u>et al.</u>, Plaintiff, - against - LYNN TILTON, PATRIARCH PARTNERS AGENCY SERVICES, LLC, PATRIARCH PARTNERS, LLC, PATRIARCH PARTNERS MANAGEMENT GROUP, LLC, ARK II CLO 2001-1 LIMITED, TRANSCENDENCE TRANSIT, INC., and TRANSCENDENCE TRANSIT II, INC., Defendants.	Adv. Proc. No. 18-1021 (SMB)

MEMORANDUM IN SUPPORT OF DEFENDANTS' MOTION IN LIMINE TO EXCLUDE THE TESTIMONY OF PLAINTIFF'S PURPORTED EXPERT <u>JONATHAN I. ARNOLD</u>

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TABLE OF AUTHORITIES

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CASES

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OTHER AUTHORITIES

Defendants[1] move to exclude the purported expert witness proffered by Plaintiff Salvatore LaMonica (the "Trustee"), Jonathan I. Arnold. For the foregoing reasons, the motion should be granted.

I. INTRODUCTION

1. In his Expert Report,[2] Arnold purports to offer a "valuation" of TransCare Corporation and its affiliated entities ("TransCare" or the "Company") in January 2016 as well as a "valuation" of a portion of the Company in February 2016. Arnold's proposed testimony on these subjects is inadmissible for two reasons.

2. *First*, Arnold's opinions do not fit the claims in this case. To that end, the Trustee alleges that Tilton breached her fiduciary duty of loyalty by failing to "monetize" TransCare while it was in the midst of a crippling liquidity crisis. To estimate the value of what such a monetization might have realized, the relevant task is to value TransCare *as it existed*. But that is not what Arnold does. Instead, he offers a purported "valuation" of TransCare as if it were a hypothetical version of the Company after a radical transformation into a totally different business. Notably, the Trustee does not allege (nor could he) that Tilton breached her duty of loyalty by not transforming TransCare into a completely different company.

3. *Second*, Arnold's opinions do not help the Court as trier of fact. Expert evidence is admissible only if it brings some specialized knowledge to the case beyond that of the non-expert factfinder. Despite the length of the Report and the use of technical terms in it, Arnold's

[1] The Defendants in this adversary proceeding are: Lynn Tilton, Patriarch Partners Agency Services, LLC, Patriarch Partners, LLC ("Patriarch Partners"), Patriarch Partners Management Group, LLC, Ark II CLO 2001-1, Limited, Transcendence Transit, Inc., and Transcendence Transit II, Inc.

[2] *See* Declaration of Michael T. Mervis in Support of Motion to Exclude Expert Evidence ("Mervis Decl.") (submitted herewith), Ex. 1, Expert Report of Jonathan I. Arnold dated Nov. 30, 2018 (the "Report"). References herein to "Arnold Tr." are to the transcript of Dr. Arnold's deposition, taken on March 11, 2019. Cited excerpts from that transcript are annexed to the Mervis Decl. as Ex. 2.

opinions do no such thing. To arrive at TransCare's so-called "operating value," Arnold takes two pieces of evidence from the discovery record—TransCare's projected annual EBITDA from certain restructuring plans and some reported industry multiples—and performs simple arithmetic. The evidence Arnold used was preselected for him by the Trustee's counsel, and accepted by Arnold at face value without any investigation into its reasonableness or accuracy. Arnold accordingly provides no benefit to the Court, which can review the same record evidence, do the same simple math, and decide what weight (if any) to give the results.

II. ARNOLD'S REPORT

4. The Trustee retained Arnold to offer an opinion of the "implied value" of TransCare—that is, what TransCare could have sold for in an orderly asset or going-concern sale instead of through liquidation. Arnold purports to value the Company "at four points during January and February 2016." (Report ¶¶ 4–6.)

5. Throughout January and February 2016, Tilton, Patriarch Partners personnel, TransCare executives, and/or Carl Marks Advisory Group, LLC ("CMAG") personnel created various potential restructuring plans for TransCare which contained, among other things, projected annual EBITDA under each plan (the "Projections"). They created the plans in connection with negotiations between TransCare and Wells Fargo N.A. ("Wells Fargo"), TransCare's asset-based-secured lender, to determine whether and on what terms Wells Fargo would agree to a long-term forbearance of Wells Fargo's rights under its loan agreement with TransCare.[3] The restructuring plans were dated January 7, January 27, January 28, and February 24, respectively.[4]

[3] (Mervis Decl. Ex 3, TRANSCARE00006334 ("Notice of Non-Renewal") at TRANSCARE-00006335–36; Ex. 4, PPTRBK0002058 at PP-TRBK0002059; Ex. 5, PP-TRBK0075262 at PP-TRBK0075263; Ex. 6, PP-TRBK0083461; Ex. 7, Tilton Tr. 162:24-165:8, 168:15-170:6.)

[4] The four plans, including their respective Projections, are annexed to the Mervis Decl. as Ex. 8 ("January 7 Projection"), Ex. 9 ("January 27 Projection"), Ex. 10 ("January 28 Projection"), and Ex. 11 ("February 24 Projection").

6. The conclusions in the Report rely largely on the Projections and were derived from three simple steps:

- At step one, Arnold performed multiplication. Specifically, he multiplied the projected annual EBITDA from the Projections by an EBITDA multiple industry range he took from a discovery document that was given to him by the Trustee's counsel. The Report refers to the range of outputs from this multiplication exercise as TransCare's operating value ("Operating Value"). (Report §§ III to IV.) Based on his multiplication, Arnold "opines" that TransCare could have sold in January 2016 for between $35.3 and $86.5 million and in February 2016 for between $22.7 and $39.1 million. (Report ¶ 7.)

- At step two, Arnold performed addition. He totaled the amounts generated from the Trustee's post-petition sale of assets and collection of accounts receivable, which are reported on the main case docket. (Report at § V & Ex. 13.) Arnold "opined" that the total was $19.2 million (the "Liquidation Value"). (Report ¶¶ 74–77.)

- At step three, Arnold performed subtraction. He subtracted the Liquidation Value from the Operating Value and "opined" that by liquidating instead of selling TransCare lost $16.1 to $67.3 million in January 2016 and $17.0 to $33.4 million in February. (Report ¶ 7.)

III. ARGUMENT

7. Under Federal Rule of Evidence 702, a qualified expert witness may provide opinion testimony only if: "(a) the expert's . . . specialized knowledge will help the trier of fact to understand the evidence or to determine a fact in issue; (b) the testimony is based on sufficient facts or data; (c) the testimony is the product of reliable principles and methods; and (d) the expert has reliably applied the principles and methods to the facts of the case." Fed. R. Evid. 702. The Court acts as a "gatekeeper" to ensure the proffered expert opinion is both reliable and relevant. *See Daubert v. Merrell Dow Pharms., Inc.*, 509 U.S. 579, 597 (1993). The Trustee must establish the admissibility of Arnold's expert testimony by a preponderance of the evidence. *We Shall Overcome Found. v. Richmond Org., Inc.*, No. 16-2725(DLC), 2017 WL 3981311, at *19 (S.D.N.Y. Sept. 8, 2017).

8. The "touchstone" for admissibility is whether the expert testimony "is helpful to the trier of fact." *Sullivan v. Ford Motor Co.*, No. 97-593(RCC), 2000 WL 343777, at *6 (S.D.N.Y. Mar. 31, 2000). To be helpful, the testimony must "fit" the factual dispute—"in other words, it must be 'sufficiently tied to the facts of the case that it will aid the jury in resolving a factual dispute.'" *In re Rezulin Prods. Liab. Litig.*, 441 F. Supp. 2d 567, 576 (S.D.N.Y. 2006) (citation omitted). Testimony is not helpful if it concerns matters within the knowledge or experience of the fact finder. *Andrews v. Metro N. Commuter R.R.*, 882 F.2d 705, 708 (2d Cir. 1989) ("For an expert's testimony to be admissible . . . it must be directed to matters within the witness' scientific, technical, or specialized knowledge and not to lay matters which a jury is capable of understanding and deciding without the expert's help.").

A. Arnold's Opinions Do Not Fit This Case.

9. Arnold's opinions are inadmissible because they do not fit this case. Courts "must" exclude expert evidence "unless they are convinced that it speaks clearly and directly to an issue in dispute in the case[.]" *Daubert v. Merrell Dow Pharm., Inc.*, 43 F.3d 1311, 1321 (9th Cir. 1995). Here, Arnold's opinions do not fit this case because they do not offer a valuation that is meaningful to this case.

10. The Trustee contends that Tilton breached her fiduciary duty of loyalty by engaging in purported self-dealing instead of "monetizing" TransCare by selling it. (*See, e.g.*, Final Pre-Trial Order [Dkt. 83] ¶ 182 ("By executing the Transcendence transaction, Defendants deprived TransCare of the ability to monetize TransCare's assets as a going concern. TransCare recovered less through liquidation sales than TransCare could have recovered had Defendants sold or restructured TransCare in a disinterested manner.").) Given the framing of the Trustee's claim, the only (potentially) relevant question to ask is what the value of TransCare would have been *as it existed at the time*, but for the alleged self-dealing. *See Finkelstein v. Liberty Digital, Inc.*, No.

19598, 2005 WL 1074364, at *17 (Del. Ch. Apr. 25, 2005) (excluding expert because "rather than addressing the operative reality of Liberty Digital, as required by law, [the expert] imagines an ideal world for Liberty Digital and values [its assets] on that basis"). *Cf. Guillory v. Domtar Indus. Inc.*, 95 F.3d 1320, 1331 (5th Cir. 1996) ("Expert evidence based on a fictitious set of facts is just as unreliable as evidence based upon no research at all.").

11. But Arnold does not answer that question. Although his Report purports to value TransCare "at four points during January and February 2016," Report ¶ 4, Arnold admitted at his deposition that he actually valued what TransCare *possibly could be,* not what it actually was. (*See* Arnold Tr. 172:9–19 (emphasis added) ("I think that -- that TransCare as it was anticipated to be in the future was going to be *a decidedly different firm than it had been in the past*. So while in some cases, recent history is . . . a good predictor of the future, I think that's not going to be the case here, *especially given the significant changes that . . . people were modeling* and believed were appropriate for the firm going forward."). In other words, the Report proffers the "value" of a hypothetical, fully restructured, future TransCare; *not* of TransCare as it existed when the restructuring plans were created.

12. Arnold had to concede that he valued a hypothetical TransCare because that was the purpose of the Projections. The Projections, which were developed in January and February 2016 during negotiations between TransCare and Wells Fargo, attempt to calculate what TransCare *could be* worth in the future if fundamental changes were made to the Company. (*See* ¶ 5, *supra*.) The assumptions therein show that the Projections attempted to value TransCare after a significant revamp. They assumed, for example, that TransCare would (i) buy dozens of additional vehicles, (ii) move the locations of vehicle facilities, (iii) fix broken customer and employee relationships; (iv) hire a new senior management team; (v) obtain millions of dollars in

capital investments; and (vi) convince Wells Fargo to continue as TransCare's primary lender. (Jan. 7 Projection at CM_TC2018_0003370; Jan. 27 Projection at CM_TC2018_0002111–12; Feb. 24 Projection at PP-TRBK0086219.) For the Projections to be meaningful, Arnold acknowledged, each of these "significant" overhauls would "need to go right." (Arnold Tr. 97:10–22, 172:16.) As a result, the TransCare Arnold values—i.e., TransCare with new management, a new vehicle fleet, happy customers, content employees, cheaper maintenance facilities, millions in new capital, and an ongoing lender relationship—is not the TransCare for which Tilton served as Director in January and February 2016.[5]

13. Rather, there is no dispute that the TransCare that actually existed in the winter of 2016 lacked these attributes. To take just one example, by January 2016, Wells Fargo had already issued a Notice of Non-Renewal to TransCare stating that its credit agreement with TransCare would expire on January 31, 2016 and that Wells Fargo "presently ha[d] no intention to extend or modify the term of such financing arrangements." (Ex. 3, Notice of Non-Renewal at TRANSCARE-00006335–36.) Wells Fargo executive Kurt Marsden had explained to Tilton that Wells Fargo had concerns about TransCare and its management team. (*See, e.g.*, Ex. 4, PPTRBK0002058 at PP-TRBK0002059; Ex. 5, PP-TRBK0075262 at PP-TRBK0075263; Ex. 6, PP-TRBK0083461.) And Tilton had similarly lost confidence in the TransCare management team. (*See* Tilton Tr. at 164:24–165:8.)

14. In this regard, it should be emphasized that the Trustee's duty of loyalty claim is not based on an alleged failure by Tilton to transform TransCare into a different business. Indeed,

[5] This is not the first time Arnold's opinion failed to fit the plaintiff's theory of the case. *See Philips v. Ford Motor Co.*, No. 14-02989-LHK, 2016 WL 7428810, at *19–22 (N.D. Cal. Dec. 22, 2016) (excluding Arnold because he "does not provide a model of damages that conforms to Plaintiffs' legal theory," and finding it "ironic" that, "after stating what a proper damages model would look like, Dr. Arnold then offers an entirely different model"), *aff'd*, 726 F. App'x 608 (9th Cir. 2018).

the cases are clear that she had no obligation to finance such a transformation. *See Jedwab v. MGM Grand Hotels, Inc.*, 509 A.2d 584, 598 (Del. Ch. 1986) ("[T]he law does not require more than fairness. Specifically, it does not, absent a showing of culpability, require that directors or controlling shareholders sacrifice their own financial interest in the enterprise for the sake of the corporation . . . ."); *Thorpe v. CERBCO, Inc.*, No. 11713, 1993 WL 443406, at *7 (Del. Ch. Oct. 29, 1993). ("[C]ontrolling shareholders, while not allowed to use their control over corporate property or processes to exploit the minority, are not required to act altruistically towards them.").

15. In sum, because Arnold values a hypothetical, fundamentally changed TransCare when he should have valued TransCare as it actually existed at times at which he purported to value the Company, his expert testimony should be excluded.

B. Arnold's Opinions Are Not Helpful to the Trier of Fact

16. Even if Arnold's opinions fit the claims in this case, they are still inadmissible because they are not helpful to the trier of fact. In his Report, Arnold opines on TransCare's "implied value," a figure consisting of two inputs: TransCare's Operating Value and Liquidation Value. (Report ¶ 4.) In doing so, Arnold's "valuations rely on models and projections prepared by" TransCare, Patriarch Partners, and CMAG. (*Id.*) On its face, Arnold's Report does little more than describe the cherry-picked evidence he received from Trustee's counsel and accepted at face value without further investigation. Arnold then uses basic arithmetic to arrive at his "values." This proposed testimony should be excluded for two reasons: first, it does not meet the helpfulness criteria of Rule 702; and second, it does not draw on any specialized knowledge or expertise.

1. Arnold's Descriptions of Operating Value and Liquidation Value are Unhelpful Summaries of Record Evidence.

17. An expert's testimony is admissible only if it concerns matters that a non-expert fact finder "is not capable of understanding on his or her own." *United States v. Mejia*, 545 F.3d

179, 194 (2d Cir. 2008); *see id.* (citation omitted) ("A district court may commit manifest error by admitting expert testimony where the evidence impermissibly mirrors the testimony offered by fact witnesses, or the subject matter of the expert's testimony is not beyond the ken of the average [fact finder]."). Expert testimony is thus inadmissible if it merely reiterates fact evidence. Instead, it is "far more appropriate" to admit such evidence through the "testimony of fact witnesses" because "the expert witness's secondhand knowledge [is] unnecessary for the edification of the jury." *LinkCo, Inc. v. Fujitsu Ltd.*, No. 00-7242(SAS), 2002 WL 1585551, at *2 (S.D.N.Y. July 16, 2002) (alteration omitted) (citation omitted). *See also Media Sport & Arts s.r.l. v. Kinney Shoe Corp.*, No. 95-3901(PKL), 1999 WL 946354, at *3 (S.D.N.Y. Oct. 19, 1999) (where expert's testimony "is not based on personal knowledge, but instead on his review of documents and depositions produced by the parties," the expert's testimony "may not take the place of that of the individuals who actually negotiated the deal").

18. As the Report explains, Arnold arrived at his Operating Value range by multiplying TransCare's projected annual EBITDA (projected as part of a restructuring plan) by a multiples range. (Report ¶¶ 43–60 & Exhs. 12a to 12d.) Yet these inputs were not devised by Arnold himself. The projected EBITDA figures were simply lifted from the Projections. (Report ¶¶ 47–60.) Arnold used the Projections without independently testing the inputs that underpinned them. Those Projections provided him with the first of two inputs—projected annual EBITDA of $6.9, $5.0, and $5.2 million on January 7, 27, and 28 respectively; and $3.2 million on February 24. (*See* Report ¶¶ 49, 55, 58, 60.)[6]

[6] To be clear, these EBITDA figures are *projected future* earnings, as per the restructuring plans. They are not TransCare's *actual* EBITDA at any point in time.

19. The same is true for the EBITDA multiples. Arnold purports to apply four methods: (i) comparable companies; (ii) precedent transactions; (iii) reliance on alleged prior expressions of interest in TransCare in 2015; and (iv) reliance on multiples purportedly identified by Tilton. (Report ¶¶ 66–70.) But Arnold does not generate these methods on his own; he merely reiterated them as they were conducted by other people in 2015 and 2016:

- For a comparable-company approach, Arnold merely used two firms "identified by [Patriarch Partners'] Mr. Greenberg in [a] market comparable companies analysis" he provided to Tilton. (Report ¶ 67.)

- For a precedent-transaction approach, Arnold "rel[ied] on the two transaction comparables and the EV/EBITDA multiples identified by Mr. Greenberg." (Report ¶ 68.)

- For an expression-of-interest approach, Arnold "rel[ied] on the 8.0x EV/EBITDA offered by [TransCare competitor] RCA" in 2015. (Report ¶ 70.)[7]

- For Tilton's alleged approach, Arnold "rel[ied] on" the EBIDTA multiple "identified by Ms. Tilton during her deposition." (Report ¶ 69.)

20. Arnold arrived at his "opinion" of Liquidation Value the same way; he combined sales of assets and collections of accounts receivable that were reflected in submissions in the main case docket and six documents produced in this litigation. (*See* Ex. 13 to Report (listing sources for Liquidation Value).) He performed no additional analysis or review of these sales or collections numbers, but simply gathered record evidence.

21. Thus, Arnold's Report is essentially a book report; he blindly accepted data points, which were given to him by the Trustee's counsel or taken from the case docket, and performed arithmetic. The Court, as finder of fact in this bench trial, is well-suited to review the Projections

[7] What Arnold describes as an "offer" was merely an unsolicited feeler inquiry made without the benefit of any diligence. (Mervis Decl. Ex. 12, Leland I Tr. 113:20–114:11, 174:8–10; Ex. 13, PP-TRBK0071446 at PP-TRBK0071450; Ex. 14, PP-TRBK0030896 at PP-TRBK0030896–97; Ex. 15, PP-TRBK0030905; Ex. 16, Greenberg Tr. 229:23–230:18; Tilton Tr. 175:25–177:21, 320:21–321:15.)

and any evidence about them and determine what weight (if any) to give them. The same is the case with regard to the evidence from which Arnold took his multiples. Indeed, Bankruptcy Courts are ideally positioned to understand the Projections and multiples without a proffered expert. Depending on how the Trustee presents his case, this Court may have an opportunity to observe and question the fact witnesses who prepared the Projections and the plans in which they are contained—indeed, the Final Pre-Trial Order identifies as fact witnesses to be called by the Trustee individuals who authored or participated in the creation of the plans and Projections (*e.g.*, Michael Greenberg, Carl Landeck, Glenn Leland, and Mark Bonilla).[8]

22. To be clear, it is not just Arnold's reliance on record evidence that is problematic; it is his failure to vet the reliability of what was given to him by counsel or apply any expertise. As Arnold admitted in his deposition, he blindly relied on Trustee's counsel to decide what evidence to review, what assumptions to accept, and what inconsistencies to let lie without further investigation. He focused on the four dates in January and February 2016, the foundation of his Report, because Trustee's counsel *told him to*, not because his expertise informed their significance. (*See, e.g.*, Arnold Tr. 43:22–24 ("The four dates I used are the four dates that were identified to me by counsel as being relevant."), 45:18–23 (explaining he used the Projections because that "was the time period that counsel asked me to focus on").) Similarly, when Arnold received the Projections from the Trustee's counsel, he did not independently verify the data or test the underlying assumptions therein. (*See, e.g.*, Arnold Tr. 78:23–86:4, 95:21–101:10 (testifying he took no efforts to investigate key assumptions in Jan. 7 Projection); Arnold Tr.

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[8] Arnold has tried previously to testify about facts outside an expert's ken. In October 2018, Chief Judge McMahon criticized Arnold's attempt testify to what documents the opposing counsel produced in the case. *United States v. Connolly*, No. 16 Cr 370(CM), 2018 WL 5023785, at *1 (S.D.N.Y. Oct. 1, 2018) ("Dr. Arnold cannot testify about the Government's failure to provide discovery.").

115:15–118:6 (admitting he did not investigate Jan. 27 Projection because "that level of granularity was not something that I investigated and assessed and pressure tested. Rather, I'm using the numbers that are the outcome of [the authors'] informed judgment . . . Look, I reviewed this document, but I didn't undertake an analysis beyond that").)

23. In short, he received this cherry-picked evidence, accepted it as accurate, and then did basic arithmetic. Arnold thus had no real idea how reliable or accurate the numbers were in the neat package of evidence he was given by counsel. That alone is grounds to reject Arnold's opinions. *See Forte v. Liquidnet Holdings, Inc.*, 675 F. App'x 21, 23–24 (2d Cir. 2017) ("[The plaintiff's expert] did not independently verify any of the data he used in the report—he simply input the numbers he was given by [counsel] and used them to calculate pay discrepancies. A failure to validate data by itself can constitute grounds for excluding an expert report."); *Munoz v. Orr*, 200 F.3d 291, 301–02 (5th Cir. 2000) (noting that expert's reliance on data provided by a plaintiff, without conducting independent verification, gives rise to "common-sense skepticism" of the expert's evaluation); *Chemipal Ltd. v. Slim-Fast Nutritional Food Int'l, Inc.*, 350 F. Supp. 2d 582, 589–91 (D. Del. 2004) (rejecting testimony where the expert "adopted" with "blind reliance" a marketing report "without reviewing its underpinnings" and performed no independent analysis to demonstrate the data's reliability).

24. Had Arnold dug deeper, he would have discovered that his failure to investigate the pre-selected evidence was in error. For one, when pressed at his deposition, Arnold acknowledged that the January 7 Projection contained an internal inconsistency in one of its "major assumptions." (*See* Jan. 7 Projection at CM_TC2018_0003370.) In one place, the January 7 Projection based TransCare's potential restructuring on the assumed ability to buy 118 ambulances; in another it assumed the Company needed only 40 to 60. (*Compare id. with id.* at 0003376.) Arnold, however,

did nothing to investigate the difference or reconcile the numbers, even though he admitted that, for the projected EBITDA to be accurate, all of the assumptions "would have to go right." (Arnold Tr. 93:2–15, 97:10–17; 97:23–101:10.)

25. In another example, Arnold accepted two comparator companies "that Mr. Greenberg identified" in correspondence from December 2015. (Arnold Tr. 190:11–19, 194:4–13 (accepting the two companies selected by Greenberg without "do[ing] anything else" to find a comparator).) He admitted he "rel[ied] on Lynn Tilton and her executives' [including Greenberg's] view that these are the most comparable companies" and "did not independently vet" their views by reviewing for variables. (Arnold Tr. 200:4–201:17.) Arnold simply accepted Greenberg's comparators, and made no adjustments to the multiples they yielded, even though Arnold acknowledged the comparators differed from TransCare in material ways, including that they were financially stable whereas TransCare was "operating in the absolute breaking point." (Arnold Tr. 113:8–114:16; Jan. 27 Projection at CM_TC2018_0002111.) Arnold's indifference to such contradictory evidence renders his testimony inadmissible. *See Lippe v. Bairnco Corp.*, 288 B.R. 678, 693 (S.D.N.Y. 2003) (excluding valuation expert's testimony of comparator companies and noting "companies are not completely comparable merely because they are in the same industry, and often factors such as product and geographic markets, size, growth rates, profit margins, and other industry and economic considerations warrant adjustments"), *aff'd*, 99 F. App'x 274 (2d Cir. 2004).

26. Moreover, what minimal "diligence" Arnold conducted did not draw on his expertise, but on ordinary lay judgment. When asked, for example, why he relied upon the Projections, he gave simplistic answers: they were finalized reports instead of drafts; they were created by "senior people" at TransCare, Patriarch Partners, and CMAG; the authors appeared to

have "knowledge" of what they were writing about; and Wells Fargo reviewed them. (Arnold Tr. 47:14–48:2, 72:16–73:5, 109:8–111:8.) The same inferences could be reached by a non-expert fact finder with basic business knowledge. And Arnold admits that many of his judgment calls were "self-evident," meaning they require no specialized expertise. (*See* Arnold Tr. 86:5–91:20 (relying on a scenario in a plan containing a higher projected EBITDA over another scenario in the same plan containing lower one without comparing scenarios' feasibility, claiming "it's self-evident" that "management is going to choose the path of the scenario that is most valuable"), Arnold Tr. 200:4–10 (admitting he did not review annual EBITDA for comparison companies because it is "self-evident" that the EBITDA will be large given that the multiplier was large), Arnold Tr. 116:3–117:12 (admitting he did not investigate the Jan. 27 Projection because "they have a detailed deck here that describes their views; so it seems self-evident that they took a look at [the inputs]").)[9]

27. At a minimum, these answers reveal Arnold's blind obedience to counsel's instructions without regard for the reliability of the results. (*See* Arnold Tr. 48:3–5 (admitting the Projections "are believed by counsel to have sufficient reliability to . . . inform the [valuation] process."), Arnold Tr. 158:3–8 (emphasis added) ("I was asked [by Trustee's counsel] to compute" the Operating Value "based on the numbers contained in the [February 24 Projection]. *It's up to others to make a conclusion as to its reliability*.").)

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[9] Even a cursory review of the record shows that Arnold's "self-evident" facts are false. For example, Arnold claims it is "self-evident" that management would have chosen the scenario he used in the January 7 Projection because it has the highest projected EBITDA. But after reviewing that same Projection, CMAG rejected it because the "EBITDA numbers" seemed "significantly overstated." (*See* Mervis Decl. Ex. 17, CM_TC2018_0001031, at CM_TC2018_0001032.) For another example, Arnold assumes that the positive projected EBITDAs in the restructuring plans means "there was a consensus" that TransCare had value. (Report ¶ 46.) But Arnold later admitted he did not know if Tilton, Wells Fargo, or anyone for that matter agreed with the Projections. (*See, e.g.*, Arnold Tr. 110:19–111:20.)

2. *Arnold's Use of Arithmetic to Calculate Operating Value and Liquidation Value is Not Based on Specialized Knowledge*

28. Arnold's only "independent" contribution to Operating Value and Liquidation Value was the performance of addition, subtraction, and multiplication. But an expert does not elevate fact evidence into expert evidence just by performing arithmetic.

29. Simple arithmetical calculations are inadmissible expert evidence because they require no "scientific, technical, or other specialized knowledge" and do not "assist the trier of fact to understand the evidence or to determine a fact in issue." *Shapiro v. Art Leather*, *Inc. (In re Connolly N. Am., LLC)*, 398 B.R. 564, 576 (Bankr. E.D. Mich. 2008). Basic math calculations are within the fact finder's "common knowledge and experience." *Vigil v. Burlington Northern & Santa Fe Ry.*, 521 F. Supp. 2d 1185, 1205 (D.N.M. 2007). As such, courts routinely exclude such testimony because it is plainly unhelpful. *See Schwartz v. Fortune Magazine*, 193 F.R.D. 144, 147 (S.D.N.Y. 2000) (excluding testimony as unhelpful because it was "not generated based on any specialized knowledge, but rather involved basic calculations").

30. It is particularly noteworthy that Arnold decided not to employ a discounted cash flow analysis to value TransCare. (Report ¶ 65.) In contrast to the basic arithmetic he actually performed, a discounted cash flow analysis would have required Arnold to exercise a level of specialized skill, knowledge and judgment beyond basic arithmetic. *See In re Breitburn Energy Partners LP*, 582 B.R. 321, 331 (Bankr. S.D.N.Y. 2018) (Bernstein, J.) (explaining that "forward-looking discounted cash flow analysis" requires "subjective" judgment because "[i]t involves predicting future revenues and expenses, and therefore requires assumptions regarding future prices and future costs"); *Lippe*, 288 B.R. at 689 (excluding expert for, *inter alia*, failing to use DCF method, noting "Many authorities recognize that the most reliable method for determining the value of a business is the discounted cash flow method.").

31. Because the record contained all the relevant inputs Arnold used to calculate Operating Value and Liquidation Value, Arnold simply performed three straightforward calculations using arithmetic. Such basic calculations require no more skill than the ability to use a calculator.

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32. In sum, Arnold's opinions are doubly inadmissible. He offers the wrong type of opinion for this case by valuing a hypothetical, future TransCare instead of TransCare as it existed in January and February 2016. And the opinions he does offer involve summaries of cherry-picked evidence, basic math, and no actual expertise. His opinions should be excluded.

CONCLUSION

Defendants respectfully request entry of the Proposed Order granting the relief requested herein and such other and further relief as is just.

Dated: July 8, 2019
New York, New York

PROSKAUER ROSE LLP

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re: TRANSCARE CORPORATION, et al., Debtors.	Chapter 7 Case No. 16-10407 (SMB) (Jointly Administered)
SALVATORE LAMONICA, as Chapter 7 Trustee for the Estates of TransCare Corporation, et al., Plaintiff, - against - LYNN TILTON, PATRIARCH PARTNERS AGENCY SERVICES, LLC, PATRIARCH PARTNERS, LLC, PATRIARCH PARTNERS MANAGEMENT GROUP, LLC, ARK II CLO 2001-1 LIMITED, TRANSCENDENCE TRANSIT, INC., and TRANSCENDENCE TRANSIT II, INC., Defendants.	Adv. Proc. No. 18-1021 (SMB)

DECLARATION OF MICHAEL T. MERVIS IN SUPPORT OF DEFENDANTS' MOTION IN LIMINE TO EXCLUDE THE TESTIMONY OF PLAINTIFF'S PURPORTED EXPERT JONATHAN I. ARNOLD

Michael T. Mervis declares, pursuant to 28 U.S.C. § 1746 and under penalty of perjury, that the following is true and correct:

1. I am a partner at the law firm Proskauer Rose LLP, counsel for Defendants in the above-captioned adversary case. I submit this Declaration in support of Defendants' Motion in Limine to Exclude the Testimony of Plaintiff's Purported Expert Jonathan I. Arnold (the "Motion"), and, in particular, to place before the Court the exhibits that are described herein and annexed hereto. Capitalized terms used but not defined herein have the meaning ascribed to them in the Memorandum in Support of the Motion, submitted herewith.

2. Attached hereto as **Exhibit 1** is a true and correct copy of the Expert Report of Jonathan I. Arnold dated November 30, 2018.

3. Attached hereto as **Exhibit 2** is a true and correct copy of excerpts from the transcript of the March 11, 2019 deposition of Jonathan I. Arnold, taken in the above-captioned adversary case.

4. Attached hereto as **Exhibit 3** is a true and correct copy of an email from Melissa Provost (of Wells Fargo) to Glenn Leland (then-CEO of TransCare), dated October 14, 2015, bearing Bates number TRANSCARE00006334, attaching a document bearing Bates number TRANSCARE00006335 through TRANSCARE00006336.

5. Attached hereto as **Exhibit 4** is a true and correct copy of an email from Michael Greenberg (of Patriarch Partners) to Lynn Tilton and Jean Luc Pelissier (of Patriarch Partners Management Group, LLC), dated December 11, 2015, and accompanying chain, bearing Bates number PP-TRBK0002058 through PP-TRBK0002059.

6. Attached hereto as **Exhibit 5** is a true and correct copy of an email from Lynn Tilton to Michael Greenberg and Lynn Tilton, dated December 16, 2015, and accompanying chain, bearing Bates number PP-TRBK0075262 through PP-TRBK0075263.

7. Attached hereto as **Exhibit 6** is a true and correct copy of an email from Michael Greenberg to Lynn Tilton, dated December 11, 2015, and accompanying chain, bearing Bates number PP-TRBK0083461 through PP-TRBK0083463.

8. Attached hereto as **Exhibit 7** is a true and correct copy of excerpts from the transcript of the of the October 29, 2018 deposition of Lynn Tilton, taken in the above-captioned adversary case.

9. Attached hereto as **Exhibit 8** is a true and correct copy of an email from Michael Greenberg to Carl Landeck (of CMAG) and Jonathan Killion (of CMAG), dated January 7, 2016, bearing Bates number CM_TC2018_0003369 through CM_TC2018_0003373, attaching an Excel spreadsheet bearing Bates number CM_TC2018_0003376.

10. Attached hereto as **Exhibit 9** is a true and correct copy of an email from Marc Pfefferle (of CMAG) to Jonathan Killion, Michael Greenberg, Jean Luc Pelissier, and Randy Jones (of Patriarch Partners), dated January 27, 2016, and accompanying chain, bearing Bates number CM_TC2018_0002108 through CM_TC2018_0002109, attaching a PowerPoint presentation bearing Bates number CM_TC2018_0002110 through CM_TC2018_0002124.

11. Attached hereto as **Exhibit 10** is a true and correct copy of an email from Michael Greenberg to himself, dated January 28, 2016, bearing Bates number PP-TRBK0013259, attaching excel chart bearing Bates number PP-TRBK0013273.

12. Attached hereto as **Exhibit 11** is a true and correct copy of an email from Michael Greenberg to Todd Trent (of Lockton Companies), dated February 24, 2016, bearing Bates number

PP-TRBK0086219 through PP-TRBK0086222, attaching excel chart bearing Bates number PP-TRBK0019229.

13. Attached hereto as **Exhibit 12** is a true and correct copy of excerpts from the transcript of the November 27, 2018 deposition of Glenn Leland, taken in the above-captioned adversary case.

14. Attached hereto as **Exhibit 13** is a true and correct copy of an email from Glenn Leland to Lynn Tilton, dated March 7, 2015, bearing Bates number PP-TRBK0071446 through PP-TRBK0071450.

15. Attached hereto as **Exhibit 14** is a true and correct copy of an email from Glenn Leland to Jean Luc Pelissier, dated July 9, 2015, and accompanying chain, bearing Bates number PP-TRBK0030896 through PP-TRBK0030899.

16. Attached hereto as **Exhibit 15** is a true and correct copy of an email from Glenn Leland to Michael Greenberg, dated July 9, 2015, and accompanying chain, bearing Bates number PP-TRBK0030905 through PP-TRBK0030908.

17. Attached hereto as **Exhibit 16** is a true and correct copy of excerpts from the transcript of the October 10, 2018 deposition of Michael Greenberg, taken in the above-captioned adversary case.

18. Attached hereto as **Exhibit 17** is a true and correct copy of an email from Lynn Tilton to Marc Pfefferle, dated January 14, 2016, and accompanying chain, bearing Bates number CM_TC2018_0001031 through CM_TC2018_0001035.

Executed this 8th day of July, 2019 in New York, New York.

/s/ Michael T. Mervis
Michael T. Mervis, Esq.

EXHIBIT 1

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

In re: TRANSCARE CORPORATION, et al. Debtors, SALVATORE LAMONICA, as Chapter 7 Trustee for the Estates of TransCare Corporation, et al. Plaintiff, v. LYNN TILTON, PATRIARCH PARTNERS AGENCY SERVICES, LLC, PATRIARCH PARTNERS, LLC, PATRIARCH PARTNERS MANAGEMENT GROUP, LLC, ARKII CLO 2001-1, LIMITED TRANSCENDENCE TRANSIT, INC. and TRANSCENDENCE TRANSIT II, INC.	)	Chapter 7 Case No.: 16-10407 (SMB) (Jointly Administered)

EXPERT REPORT OF JONATHAN I. ARNOLD, Ph.D.

November 30, 2018

CONTENTS

I. INTRODUCTION

A. QUALIFICATIONS

1. My name is Jonathan Arnold. I am an employee of Chicago Economics Corp. and specialize in the application of economics to legal and regulatory disputes. Prior to my current position, I served as Chief Economist at the New York State Office of the Attorney General (the "OAG"). In this role, I served as senior policymaker on economics questions for the Attorney General -- covering Economic Justice, Criminal Justice, and Social Justice -- as well as (i) overseeing economic analyses of key matters, (ii) retaining and supervising outside expert witnesses, and (iii) integrating economic analysis with legal analysis at the OAG. I have also taught economics at a number of schools, including The University of Chicago (in both the Booth School of Business and the Department of Economics).

2. I earned a Ph.D. in Economics and M.B.A. from the University of Chicago's Booth School of Business and a B.A. from the University of Chicago. In addition, I am a Certified Public Accountant, registered in Illinois.

3. During my professional career, I have conducted economic analyses on a variety of valuation, economics, and accounting topics and offered expert testimony in the form of live testimony in numerous court and arbitration proceedings, depositions, expert reports, and affidavits. In my work, I regularly analyze questions relating to

valuation, and the calculation of damages. My *curriculum vitae*, attached as Appendix A, summarizes my qualifications and contains information relating to my previous employment, affiliations, testimony, and publications.[1]

B. Assignment

4. I have been asked by counsel for Salvatore LaMonica, acting in his capacity as Chapter 7 Trustee for the Estates of TransCare Corporation, et al. ("Plaintiff") to examine economic evidence and perform an analysis of the implied valuations of TransCare Corporation ("TransCare" or "Company") at four points during January and February 2016.[2] The valuations rely on models and projections prepared by TransCare, employees of Patriarch Partners, LLC or affiliated companies ("Patriarch"), and TransCare advisor Carl Marks & Co. Inc. ("Carl Marks"). These dates are: (i) January 7, 2016; (ii) January 27, 2016; (iii) January 28, 2016; and (iv) February 24, 2016. January 7, 2016 is the day that Patriarch Director Michael Greenberg ("Mr. Greenberg") sent TransCare advisor Carl Marks his updates to the TransCare 2016 preliminary plan. January 27, 2016 is the day Carl Marks issued its "Turnaround Plan" for TransCare).

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[1] Chicago Economics Corp. is compensated for my time spent on this matter at a rate of $950 per hour. I was assisted by Coherent Economics, LLC, which is compensated for time spent by its staff members working under my direction on this matter. Compensation is not contingent on the outcome of this proceeding.

[2] I understand that Mr. LaMonica, acting in his capacity as Chapter 7 Trustee for the Estates of TransCare Corporation, et al. ("Plaintiff") is claiming damages suffered by TransCare Corporation, et al. ("Debtors") as a result of, among other acts detailed in the amended complaint, Lynn Tilton's alleged breach of the duty of loyalty while acting as the sole member of TransCare's Board of Directors. See Amended complaint, *In re TransCare Corporation, et. al* (Case No. 16-10407) on November 28, 2018 ("Complaint").

January 28, 2016 reflects the day of Mr. Greenberg's updates to the Turnaround Plan and his "Executive Summary" to be shared with Lynn Tilton ("Ms. Tilton"). February 24, 2016 the latest date for which I have seen documents updating Patriarch's model.[3]

5. I understand that, subsequent to February 24, 2016 (the "Liquidation Filing Date"), the assets of TransCare were in fact liquidated, through the bankruptcy liquidation process, for a total consideration of approximately $19.2 million (the "Liquidation Value").

6. My analysis included a review and analysis of certain documents, produced in the course of this dispute, that provide insight into the historical performance and forecasted outlook for TransCare.[4] To estimate the value of TransCare, I use TransCare's financial forecasts as prepared during January 2016 and February 2016. I then use the TransCare, Patriarch, and Carl Marks models, which I discuss in detail below, to assess the implied valuation of TransCare if it had pursued an orderly asset sale or continued operations as a going concern instead of entering into the forced Liquidation. See Section V for further discussion.

C. SUMMARY OF OPINIONS

7. As a result of my analyses, I have reached the following opinions, which I

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[3] This is the last update to Patriarch's model as shared with insurance broker Lockton Companies ("Lockton"). It assumes that the Paratransit, Hudson Valley, and Pittsburgh business segments – termed "NewCo" – would transfer to the newly incorporated Transcendence Transit, Inc. and that the remaining assets -- "OldCo" – would be liquidated in a wind down.

[4] I understand discovery in this case is ongoing and I may supplement this report to reflect material new information that I become aware of.

hold to a reasonable degree of certainty:

- The Operating Values (as defined below at paragraph 10) based on January 2016 projections for TransCare in its entirety ("WholeCo") range from $35.3 million to $86.5 million;

- The Operating Value based on February 2016 projections for selected assets ("NewCo") ranges from $22.7 million to $39.1 million;

- The difference between TransCare's Operating Values based on January 2016 projections for WholeCo and the Liquidation Value is between $16.1 million and $67.3 million; and

- The difference between TransCare's Operating Value based on February 2016 projections for NewCo and the Liquidation Value is between $17.0 million and $33.4 million.

8. In forming my opinions, I reviewed and considered the materials produced in this litigation as well as publicly available information. The materials I relied upon in forming my opinions are listed in Appendix B.

9. I analyzed historical and projected financial models, results, business plans, presentations and updates to TransCare's Board concerning TransCare that were created by TransCare, Carl Marks, and Patriarch employees. These materials have helped me to understand contemporaneous beliefs of the financial outlook of TransCare and its capital needs to continue as a going concern. Finally, I have performed valuations of TransCare as a going concern up to the Liquidation Filing Date ("Operating Values"). I compute the differences between each of TransCare's valuation as of the pre-Liquidation dates listed

above and the Liquidation Value.[5]

10. The balance of this report is organized as follows: In Section II, I review the documentary record showing TransCare's history, business model and organization, the relevant parties in this matter, and the events leading up to TransCare's Chapter 7 liquidation. Section III contains TransCare's historical and projected financial performance at various points leading up to the Liquidation Filing Date. In Section IV I describe the methodologies and inputs for my analyses of the Operating Values of TransCare. In Section V, I describe the Liquidation Value of TransCare. Section VI discusses the difference between the Operating Values and the Liquidation Value. Section VII contains a brief statement of my conclusions.

II. BACKGROUND

11. In this section, I provide background information relevant to my economic analysis of the Operating Value of TransCare and summarize the different parties in this matter.

A. TRANSCARE CORPORATION

12. TransCare was founded in 1993 to create a business of providing paratransit services for both emergency and non-emergency patients and individuals with

[5] For Patriarch's February 24, 2016 "NewCo" model, which includes selected TransCare assets and is defined in detail below, I compute the difference between the implied valuation of NewCo and the Liquidation Value attributable to only those assets contemplated by Ms. Tilton and Patriarch to be part of NewCo.

disabilities.[6] TransCare provided these services to both (i) healthcare facilities and (ii) municipalities.[7]

13. In September 2002, TransCare filed for Chapter 11 bankruptcy protection with a pre-planned reorganization plan. At that time, Ark II CLO 2001-1, Limited, which I discuss below, was its lead lender through approximately $34.0 million in one secured claim with interest.[8] TransCare emerged from Chapter 11 bankruptcy in July 2003.[9]

14. As of 2015, TransCare held itself out as a large healthcare transportation service.[10] By mid-2015, TransCare owned a fleet of over 600 ambulances, buses, vans and

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6 TransCare (July 20, 2015). TransCare Announces Two Significant Milestones. $130 Million Contract Renewal with the New York City Transit Authority. New Amendment to its Lender Agreement. *BusinessWire*.

7 Specifically, "to acute care hospitals, skilled nursing or sub-acute care facilities, outpatient centers, clinics, medical specialty service facilities, long-term care facilities and transit authorities throughout the mid-Atlantic region." TransCare Corporation and Subsidiaries Consolidated Financial Statements Year Ended December 31, 2013 ("2013 Audited Financial Statements") (TRANSCARE00062782 – 801) at 9. I understand these to be the last audited financial statements for TransCare.

8 Schedules of Assets and Liabilities entered on September 20, 2002 before the U.S. Bankruptcy Court of the Southern District of New York (Chapter 11 Case No. 02-14385 (RDD)).

9 Glover, L. (July 7, 2003). TransCare set to emerge from Ch. 11. *Pittsburgh Business Times*.

10 Specifically, "one of the largest privately-held providers of healthcare transportation services in the United States with operations in New York (including New York City, Long Island and Hudson Valley), Delaware Valley (including Philadelphia and Delaware), Baltimore and Pittsburgh." See, TransCare Announces Two Significant Milestones. $130 Million Contract Renewal with the New York City Transit Authority. New Amendment to its Lender Agreement. *BusinessWire* (July 20, 2015). The article further notes that TransCare provides "a full range of medical services including: emergency ambulance services (911) in New York City and Hudson Valley, non-emergency and critical care ambulance services in all its markets, paratransit services in New York City (Access-A-Ride program), shuttle services for hospitals, nursing homes, adult day care and other health care facilities in all its markets, call center services for hospitals and clinics in all its markets."

paratransit vehicles and employed 1,900 full and part-time employees.[11]

15. During January and February 2016, TransCare, along with Patriarch and advisor Carl Marks, identified investment and internal organization needs with an emphasis on improving the size and quality of its fleet through vehicle purchases or leases in order to continue to operate as a going concern.[12] Notwithstanding these efforts, TransCare filed for Chapter 7 bankruptcy liquidation on February 24, 2016.[13]

B. Other Relevant Parties

1. Defendants

a) Lynn Tilton

16. At all times relevant to my analysis, Defendant Ms. Tilton was the sole member of the Board of Directors of TransCare. A broad set of TransCare's executive decisions required Ms. Tilton's direct approval, including: (1) approving annual or interim operating plans and capital budgets; (2) forming joint ventures; (3) negotiating or

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11 "TransCare Announces Two Significant Milestones. $130 Million Contract Renewal with the New York City Transit Authority. New Amendment to its Lender Agreement." *BusinessWire* (July 20, 2015)

12 E-mail from Mr. Greenberg to Carl Landeck and Jonathan Killion, dated January 7, 2016 (CM_TC2018_0003369 at CM_TC2018_0003369) and CM_TC2018_0003376 (collectively, "January 7, 2016 Preliminary Plan"); E–mail from Marc Pfefferle to Mr. Greenberg et al., dated January 27, 2016 and attached Carl Marks 2016 Plan Executive Summary dated January 27, 2016 (CM_TC2018_0002108–24) ("January 27, 2016 Carl Marks Turnaround Plan"); E-mail from Mr. Greenberg to himself dated January 28, 2016 (PP-TRBK0013259-74) and PP-TRBK0013273 (collectively, "January 28, 2016 Update to Carl Marks Turnaround Plan"); E-mail from Mr. Greenberg to Todd Trent, dated February 24, 2016 (PP-TRBK0086219 at PP-TRBK0086219), PP-TRBK0004527 and PP-TRBK0019229 (collectively "February 24, 2016 NewCo Model").

13 Complaint at para. 103; Noto, A. (February 25, 2016). Private ambulance service backed by "Wonder Woman of Wall Street" files bankruptcy. *New York Business Journal Online*.

committing to terms relating to the acquisition, disposition or sale of the entire company or any of its assets; (4) entering into contracts (including financing or loan contracts); (5) committing to any capital expenditure not contemplated in the approved annual plan; (6) writing off or disposing of inventory; (7) agreeing to make charitable contributions; (8) entering into related party transactions; (9) replacing auditors or tax preparers; (10) engaging counsel; (11) settling claims; (12) engaging consultants; (13) initiating, terminating, or changing employment contracts of the CEO and direct reports; (14) modifying sales incentives; (15) issuing or granting equity; (16) granting a lien or encumbering any company asset; (17) adding or removing Board members; (18) appointing directors or officers; and (19) disclosing financials or shareholder information of TransCare to any third parties.[14]

b) Patriarch Defendant Entities

17. Defendant Patriarch Partners Agency Services, LLC ("PPAS") was owned and managed by Ms. Tilton. PPAS keeps custodial relationships with and serves as the agent for the lender groups to the Patriarch portfolio companies.[15]

18. Defendant Patriarch Partners Management Group, LLC was owned and managed by Ms. Tilton. It employed Patriarch employees who focused on managing and

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14 Complaint at para. 9; TransCare Corporation Written Consent of the Sole Director ("TransCare Authority Matrix") dated July 10, 2012; E-mail from Mr. Stephen to Mr. Leland et al. dated February 5, 2015 (PP-TRBK0087751).

15 Deposition of Ms. Tilton dated October 29, 2018 ("Tilton Deposition") at p. 19.

restructuring Patriarch's portfolio companies.[16]

19. Defendant Patriarch Partners, LLC was founded by Ms. Tilton. Ms. Tilton is the company's Chief Executive Officer ("CEO").[17]

20. Defendant Ark II CLO 2001-1, Ltd. ("Ark II") is solely owned by Ms. Tilton and functions both as an equity owner and lender to the Patriarch portfolio companies. Ms. Tilton describes Ark II, a lender to TransCare, as her personal investment account.[18]

21. Defendants Transcendence Transit, Inc. and Transcendence Transit II, Inc. (collectively, "Transcendence" or "NewCo") were incorporated in the state of Delaware on February 10, 2016.[19] On February 24, 2016, Ms. Tilton, acting in her capacity as the sole Director of TransCare, signed a written consent to transfer and assign TransCare's Access-A-Ride transportation agreement with the New York City Transit Authority ("MTA Contract") to Transcendence Transit II, Inc.[20] Transcendence Transit Inc. was the holding company of Transcendence Transit II, Inc. and other selected operating subsidiaries.[21]

22. Exhibit 1 illustrates the flow of management fees, interest payments, and

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16 Tilton Deposition at pp. 16-17.

17 Tilton Deposition at p. 11.

18 Tilton Deposition at p. 19-20.

19 Certificate of Incorporation for Transcendence Transit, Inc., dated February 10, 2016 (PP-TRBK0015293); Certificate of Incorporation for Transcendence Transit II, Inc., dated February 10, 2016 (PP-TRBK0015289).

20 TransCare New York Inc., Written Consent of the Sole Director dated February 24, 2016 (TRANSCARE00231115-116).

21 E-mail from Mr. Greenberg to Don Arrowood et al. dated February 10, 2016 at 1 (PP-TRBK0027756 – PP-TRBK0027758).

equity and loan funds between TransCare, Tilton-controlled Patriarch entities and investment funds, and outside equity and loan investors at all relevant times to my analysis.

23. Exhibit 2 illustrates Ms. Tilton's various roles within the Patriarch business structure in the period relevant to my analysis, as identified in her deposition testimony.

C. EVENTS PRIOR TO LIQUIDATION FILING DATE

24. On January 19, 2015, Glenn Leland ("Mr. Leland") was appointed as TransCare's CEO.[22] Shortly after assuming this position, he was provided with TransCare's Authority Matrix, which stated that TransCare's Board (i.e., Ms. Tilton) authorized the CEO to:

> approve, adopt, authorize, agree or enter into contracts, commitments, agreements and undertakings… on behalf of the Corporation, subject, however to obtaining approval and authorization… by the Designated Executive or the full Board…[23]

25. Patriarch's Senior Director (Legal) Brian Stephen ("Mr. Stephen") informed Mr. Leland that there was no Designated Executive.[24] Instead, Mr. Stephen instructed Mr. Leland that:

> [t]here is room to operate but it would probably be easier to discuss plans [with Ms. Tilton] as they arise since it is difficult to understand how [the Authority Matrix] works tougher [sic] in a vacuum.[25]

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22 Mr. Leland Offer Letter (TRANSCARE00074331).

23 TransCare Authority Matrix at 1.

24 E-mail from Mr. Stephen to Mr. Leland et al. dated February 5, 2015 (PP-TRBK0087751) stating "[t]he company does not have a Designated Executive as this time."

25 E-mail from Mr. Stephen to Mr. Leland et al. dated February 5, 2015 (PP-TRBK0087751). In citing an example of the type of executive decision that would require Ms. Tilton's approval,

26. Among other things, Mr. Leland was tasked with assessing TransCare's challenges and overseeing improvements to its operations.[26] From January 19, 2015 until his departure on or around January 7, 2016, Mr. Leland periodically provided operational information and forecasts to representatives at Patriarch, typically in the form of "plans" or "updates." These plans, which are described further below, identify the challenges facing TransCare, as well as management's view of (frequently urgent) capital needs required to maintain and improve its operations. They also contain forecasts concerning relevant operating metrics for TransCare.

27. During this period, Ms. Tilton or her representatives at Patriarch were provided with updates on TransCare's performance and its central obstacles to improved performance. For example, on February 19, 2015, Mr. Greenberg shared an executive update with Ms. Tilton describing that "[the] business ha[d] deteriorated over the past 7 months of 2014 from average monthly revenue and EBITDA for 1st 5 months of $11.0MM and $450k, respectively."[27] He further explained that:

> [T]he primary difference [with 2013] is an increase in fleet compensation costs from 47% of revenue to 51% of revenue due primarily to challenges with the age of the fleet resulting in more time on task which increases the compensation to revenue ratio. The Transit business is intact and performed consistently in 2014 vs. 2013 but there is concern about the upcoming renewal due to the company's financial position and a lack of support from the procurement group. We want to

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Mr. Stephen stated that: "[w]e are absolutely sure that Lynn would want to know and approve the company's exploration of other financing sources…."

26 Mr. Leland Offer Letter (TRANSCARE00074331).

27 E-mail from Mr. Greenberg to Ms. Tilton dated February 19, 2015 (PP-TRBK0042324 – 25).

make you aware of the liquidity challenges but have told the management team that we cannot meet until the plan is completed.[28]

28. On January 25, 2015, Mr. Leland shared an update with Ms. Tilton identifying the following challenges to TransCare's performance: (a) "strained" cash flows, (b) depleted credit capacity on a revolving credit facility provided by Wells Fargo (the "Wells Fargo ABL Facility"), which had been in breach of its covenants for a year, (c) an unreliable fleet with only 60 percent of ambulances operable, leading to poor on-time performance, (d) lost clients and reduced market share, (e) delayed vendor payments, and (f) a "non-viable" recovery plan in place.[29]

29. Throughout 2015, TransCare received several inquiries regarding a possible sale of itself or some of its key assets. Exhibit 3 summarizes the indications of interest received by TransCare between February and December 2015. For example, between February and July 2015, RCA Emergency Medical Services' ("RCA") Chief Operating Officer ("COO") Mike Weinberger ("Mr. Weinberger") separately contacted TransCare Chief Financial Officer ("CFO") Mark Bonilla ("Mr. Bonilla"), Mr. Leland and Ms. Tilton to inquire about purchasing either TransCare as a whole or specific assets, or entering into an operational management agreement. RCA consistently expressed that, subject to due diligence, "RCA is prepared to offer up to eight times the EBITDA."[30] Also, in

28 E-mail from Mr. Greenberg to Ms. Tilton dated February 19, 2015 (PP-TRBK0042324 – 25).

29 Plaintiff's Exhibit 84.

30 E-mail from Mr. Weinberger to Ms. Tilton dated February 10, 2015 (PP–TRBK0033683); E-mail from Mr. Weinberger to Mr. Leland dated February 20, 2015 (TRANSCARE00195974); E-mail from Mr. Weinberger to Mr. Bonilla and Mr. Leland dated February 18, 2015

February, July and December 2015, National Express, LLC indicated an interest in purchasing TransCare's MTA Contract. See Exhibit 3.

30. On September 29, 2015, Mr. Bonilla resigned as CFO from TransCare.[31]

31. On January 7, 2016, Mr. Leland departed as CEO from TransCare.[32]

32. After Mr. Leland's departure, TransCare had neither a designated CEO nor CFO on its executive management team.

33. As of January 15, 2016, Ms. Tilton committed a $6.5 million loan to TransCare via her Ark II personal investment vehicle ("Ark II Agreement").[33] Carl Marks prepared a TransCare turnaround plan on January 27, 2016, saying "[t]he message is a difficult one, but I believe accurate."[34] This plan was prepared for and shared with Ms. Tilton.[35] The 2015 income statement from this plan indicates that TransCare generated

(TRANSCARE00004048 - 49); E-mail from Mr. Weinberger to Ms. Tilton dated March 3, 2015 (PP-TRBK0090486 – 87); E-mail from Mr. Leland to Ms. Tilton dated March 7, 2015 (PP-TRBK0071446 – 50); E-mail exchange between Mr. Greenberg, Mr. Pelissier, Mr. Whalen, and Mr. Leland dated July 9, 2015 (PP-TRBK0033600 – 02).

31 Mr. Bonilla's Out of Office AutoReply stating: "Please be aware that my consulting agreement ended with the company as of 2016, and that I have elected not to return to employment in my former role as CFO, which was terminated on 9/29/2015." (TRANSCARE00043758-9).

32 E-mail from Mr. Leland to Randy Jones dated January 8, 2016 (PP-TRBK0019062-63).

33 Credit Agreement of TransCare Corporation dated January 15, 2016 among TransCare Corporation and Ark II CLO 2001-1, Limited (CURTIS_000521 – 46).

34 E-mail from Mr. Greenberg to Marc Pfefferle dated January 27, 2016 (PP-TRBK0024842-43).

35 The e-mail from Melissa Provost to Mr. Greenberg dated January 28, 2016 (WF_TC_00003874) references a prior day's budget meeting with Ms. Tilton. Additionally, the e-mail from Mr. Greenberg to Marc Pfefferle dated January 27, 2016 (PP-TRBK0024842) indicates that the Carl Marks plan was intended for Ms. Tilton.

negative EBITDA for the months of October through December of 2015, a reversal of the strong gains (reflected by positive EBITDA) made in April through June of 2015.

34. On February 7, 2016, Carl Marks Managing Director Carl Landeck ("Mr. Landeck") sent an e-mail to Ms. Tilton directly explaining the need for additional funding in the week to come.[36] Mr. Stephen reached out to Curtis, Mallet-Prevost, Colt & Mosle LLP ("Curtis Mallet") on February 9, 2016 for assistance in filing Chapter 11 bankruptcy on behalf of TransCare.[37] On February 15, 2016, in response to a proposed Debtor-In-Possession ("DIP") budget from Carl Marks, Ms. Tilton wrote that, "not I nor the Zohar funds will be providing any additional cash going into the bankruptcy unless it is rolled into the DIP as first cash out."[38] A spreadsheet dated February 16, 2016 by Patriarch's Controller, Carlos Mercado, indicated that only approximately $1.9 million had been transferred to TransCare under the Ark II Agreement as of that date.[39]

35. On February 10, 2016, Transcendence Transit, Inc. and Transcendence Transit II, Inc. were incorporated in Delaware.[40] TransCare's Glen Youngblood ("Mr.

[36] E-mail from Mr. Landeck to Ms. Tilton dated February 7, 2016 (PP-TRBK0022363-65).

[37] E-mail from Lynn P. Harrison III to Mr. Stephen dated February 9, 2016 (PP-TRBK0051881-83).

[38] E-mail from Ms. Tilton to Mr. Landeck dated February 15, 2016 (CM_TC2018_0008781-2).

[39] Tilton Deposition Exhibit 106; PP-TRBK0019089.

[40] Certificate of Incorporation for Transcendence Transit, Inc., dated February 10, 2016 (PP-TRBK0015293); Certificate of Incorporation for Transcendence Transit II, Inc., dated February 10, 2016 (PP-TRBK0015289).

Youngblood") was named "director" of both corporations the same day.[41] Messrs. Youngblood and Greenberg discussed in emails that day that Transcendence Transit II, Inc. would operate the Paratransit business segment and that Transcendence Transit, Inc. would be comprised of Transcendence Transit II, Inc. and the Hudson Valley, Pittsburgh, Maryland, and Westchester business segments.[42] Also on February 10, 2016, Patriarch employees: (a) reached out to insurance broker Willis Towers Watson ("Willis") to add the two new entities to Patriarch's global Directors and Officers ("D&O") liability insurance policy; (b) applied for and obtained an Employer Identification Number from the Internal Revenue Service for each entity; and (c) provided both Willis and Lockton with "insurance information requested."[43] On February 14, 2016, Patriarch's Platform Leader Jean Luc Pelissier ("Mr. Pelissier") sent a "[p]rogress and action list" to Patriarch and TransCare officials, including Ms. Tilton, detailing what needed to be done in connection with the bankruptcy and transition to the Transcendence entities, as well as who needed to do it, and by what date it should be done. [44] The list had several items

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41 Organization Action in Writing of Incorporator for Transcendence Transit, Inc., dated February 10, 2016 (PP-TRBK0015295); Organization Action in Writing of Incorporator for Transcendence Transit II, Inc., dated February 10, 2016 (PP-TRBK0015291).

42 E-mails between Mr. Youngblood and Mr. Greenberg, dated February 10, 2016 (PP-TRBK0006471).

43 Email from Carlos Mercado to Willis (PP-TRBK0015312); Internal Revenue Service Notice addressed to Transcendence Transit, Inc., dated February 10, 2016 (PP-TRBK0015306); Internal Revenue Service Notice addressed to Transcendence Transit II, Inc., dated February 10, 2016 (PP-TRBK0015309); E–mail from Mr. Greenberg to Don Arrowood et al. dated February 10, 2016 at 1 (PP–TRBK0027756 – PP–TRBK0027758); E–mail from Mr. Greenberg to Robert Siegel et al. dated February 10, 2016 at 1 (PP–TRBK0027792 – PP–TRBK0027794).

44 E-mail from Mr. Pelissier to Ms. Tilton al., dated February 14, 2016 (PP-TRBK0091282).

that were marked "TBD" with regards to ownership and completion date, including printing and distributing employee transfer letters, "[a]dvis[ing] the MTA unions and obtain[ing] support prior to employees [sic] transfers," holding employee communication meetings in OldCo and NewCo, and "[i]ssu[ing] Worker Adjustment and Training Notification ("WARN") notice to all Old Co employees."[45]

36. If Ms. Tilton's efforts to transfer NewCo assets to Transcendence had proceeded as planned, NewCo assets would have been operated within Transcendence as a going concern (the "Foreclosure and Buy-Out Transaction").[46] Exhibit 4 shows that the transaction contemplated: (i) rolling over $2.1 million in funding from Ark II from TransCare to Transcendence (including approximately $0.2 million in vehicle purchases to be owned by Ark II); (ii) infusing $10.0 million in new working capital from Ark II; (iii) a $10 million credit bid converting existing lenders' outstanding $43.6 million debt in TransCare into $10.0 million in Transcendence equity, implying consideration to existing lenders of approximately 23 cents on the dollar (that is, $10.0 million divided by $43.6 million).[47] This contemplated transaction assumed a NewCo value of $22.1 million. See Exhibit 4.

37. On February 24, 2016, Patriarch employees corresponded under the

45 E-mail between Mr. Pelissier et al., dated February 14, 2016 (PP-TRBK0091282).

46 Tilton Deposition at p. 79-81. Ms. Tilton stated that "That was the deal; $12 million of new money and $10 million of credit bid, the MTA contract, assets, Pennsylvania, and Hudson County [sic]."

47 Tilton Deposition at pp. 97-143 and Exhibit 106; PP-TRBK0019089.

apparent assumption that the NewCo TransCare assets would be successfully transferred to the Transcendence entities, and Ms. Tilton approved of the assignment agreement transferring the MTA Service Agreement to Transcendence Transit II, Inc. on that day.[48] Nonetheless, on February 26, 2016, Carlos Mercado wrote to Chris Hill, Senior Vice President of Corporate Banking at BB&T, that Patriarch was "unsuccessful in the [their] efforts to establish a foundation for restructuring of the company as Transcendence Transit" and that "all work on [BB&T's] end with respect to the establishment of bank accounts…should cease immediately."[49]

III. TRANSCARE'S HISTORICAL AND PROJECTED FINANCIAL PERFORMANCE

A. HISTORICAL FINANCIAL PERFORMANCE

38. TransCare generated annual net service revenue of between $118.9 million and $152.1 million from 2009 through the last twelve months ending October 2015.[50] See Exhibit 5. Average annual net service revenue was $135.6 million during this period. Net service revenue peaked at $152.1 million in 2010, and declined in the following years. As Exhibit 5 shows, by October 2015 (the last available date for which TransCare provided consolidated financial statements), the net service revenue for the last twelve months was $118.9 million.

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48 TransCare New York, Inc. Written Consent of the Sole Director, dated February 24, 2016.

49 E-mail between Carlos Mercado and Chris Hill, dated February 26, 2016 (PP-TRBK0089542).

50 I understand that TransCare did not obtain audited financial statements for fiscal years 2014 and thereafter.

39. TransCare also reported and analyzed financial performance by region: New York Core, Transit, Maryland, Main Line, Pittsburgh, New York 911, and Hudson Valley. For the five months ending May 2015, TransCare's New York 911 segment reported $14.0 million (or 27.9 percent of total revenues), followed by Transit reporting $13.5 million in revenues (representing 27.0 percent of total revenues), and then by New York Core reporting $9.0 million (or 17.9 percent of total revenues).[51]

40. TransCare reported historical average annual EBITDA of $5.1 million for the period 2009 to the last twelve months ending October 2015, with considerable year-to-year variability. See Exhibit 6. As the exhibit shows, TransCare's annual EBTIDA exceeded $7.0 million in the years 2009 (EBITDA of $9.1 million), 2010 (EBITDA of $7.7 million), 2012 (EBITDA of $8.9 million), and 2013 (EBITDA of $7.2 million). Yet TransCare generated EBITDA of only $0.9 million in 2011, $0.5 million in 2014, and $1.4 million for the last twelve months ending October 2015. See Exhibit 6.

41. Exhibit 7 shows EBITDA over the last twelve months for each of the months from November 2014 through October 2015. As the exhibit shows, TransCare's financial performance improved during the second half of 2015 through October 2015. See Exhibit 7.

42. At the region level for the five months ending May 2015, four segments were profitable: New York 911 (achieving $2.4 million EBITDA), Transit (achieving $1.7 million EBITDA), Hudson Valley ($0.9 million EBITDA), and Pittsburgh (achieving $0.2

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51 E-mail from Mr. Greenberg to Ms. Tilton dated July 3, 2015 (TRANSCARE00007937).

million EBITDA). Corporate overhead reduced EBITDA by $2.3 million, resulting in overall EBITDA of $1.0 for this five-month period.[52]

B. PROJECTED FINANCIAL PERFORMANCE

43. The Preliminary Plan Mr. Greenberg shared with TransCare's financial advisor, Carl Marks, incorporated long-term annual projections of revenue and EBITDA. See Exhibits 8 and 9. Patriarch representatives and Carl Marks also forecasted financial models in January and February 2016 for the full year 2016. Patriarch additionally created models in February 2016 – the so-called "NewCo" models -- that contemplate performance projections for only certain assets. I have not seen documents in the production indicating that TransCare continued to make its own forecasts from early 2016 through the Liquidation Filing Date. After January 7, 2016, TransCare had neither a CEO nor CFO.

44. Because each of these parties – TransCare, Patriarch, and Carl Marks -- were the most informed entities with respect to TransCare's performance and its outlook assuming that it was provided with sufficient capital to operate as a going concern, I treat their projections as the best available contemporaneous information concerning the TransCare's prospects in the two months prior to the Chapter 7 filing. See Exhibits 8 and 9.

45. Exhibit 8 reports the projected annual EBITDA for the years 2016 through 2020 as presented in the January 7, 2016 Preliminary Plan and forecasts for full year 2016

[52] E-mail from Mr. Greenberg to Ms. Tilton dated July 3, 2015 (TRANSCARE00007937).

as presented in each of the plans or models prepared between January and February 2016 that I was able to identify in the production materials. Exhibit 9 summarizes the plans' projected annual revenues. Exhibits 8 and 9 only report the results of models or plans that were contemporaneously shared with third parties. Exhibit 10 indicates the entities that received the plans or models developed between January and February 2016 that I consider in my valuation.

46. While each plan or model varies in its underlying assumptions, the near-uniform expectations that TransCare could improve its annual EBITDA by 2016 suggests that there was a consensus (at least until February 2016) that TransCare had potential value as a going concern.[53] I describe below the underlying assumptions and key projected metrics provided in each plan/model. I then apply these relevant projections in Section IV when determining the implied value of TransCare under each plan/model in the January 2016 to February 2016 period.

1. January 7, 2016 Preliminary Plan

47. On December 21, 2015, Messrs. Greenberg and Pelissier met with Wells

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53 Wells Fargo representatives also stated their belief that TransCare was a viable company:

> [b]ecause the company was faltering, and it didn't have the capital investment it needed today to sustain itself. And from my perspective, the company was actually a descent [sic] company, had great employees, it had a wonderful, you know, market share, had a lot of routes, you know, routes that were – that could've been probably serving the biggest Metropolitan area in the United States. And, but the company just was undercapitalized. It needed new cars, ambulances, vehicles systems, [short-term] cash, and it needed owners that were going to really put a massive investment in the company.

Deposition of Mr. Husson dated November 12, 2018 ("Husson Deposition") at p. 45.

I also understand that Mr. Leland testified during his November 27, 2018 deposition (which has not yet completed as of the date of this expert report) that if TransCare had been sufficiently capitalized, it could have achieved value as a going concern.

Fargo's Loan Portfolio Manager John Husson ("Mr. Husson") and Senior VP/Regional Portfolio Manager Robert Strack ("Mr. Strack") to discuss a long-term agreement to extend the Wells Fargo ABL Facility. One of the components to reaching an agreement was a mutually acceptable budget. Mr. Greenberg reported to Ms. Tilton that "Wells Fargo would like to receive a budget [that] shows TransCare paying all expenses on a current basis" and that "Wells Fargo would want a third-party consultant" who "would report to the Board but Wells Fargo would have access to."[54] Subsequently, Wells Fargo's Vice President/Senior Relationship Manager Melissa Provost ("Ms. Provost") requested in an e-mail to Messrs. Greenberg and Pelissier "for the 'Budget' to be provided by December 30, 2015 and subsequently reviewed by the Financial Advisor."[55]

48. Carl Marks Advisors was hired as a third-party consultant to TransCare Corporation on January 11, 2016.[56] On January 7, 2016, Mr. Greenberg sent Carl Marks an e-mail and attached model described as "updates to 2016 preliminary plan based on yesterday's discussion."[57] This is the earliest date in the document production I have reviewed that shows collaboration between Patriarch and Carl Marks to develop a TransCare budget to present to Wells Fargo.

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[54] E-mail from Mr. Greenberg to Mr. Pelissier dated December 21, 2015 (PP-TRBK0046839 at PP-TRBK0046839).

[55] E-mail from Ms. Provost to Mr. Greenberg and Mr. Pelissier, dated December 23, 2015 (PP-TRBK0004093 at PP-TRBK0004093); Summary of Proposed Terms (PP-TRBK0004095 at PP-TRBK0004095).

[56] Consulting Agreement (PP-TRBK0052000 at PP-TRBK0052001).

[57] January 7, 2016 Preliminary Plan.

49. The January 7, 2016 Preliminary Plan projected EBITDA for the fiscal year 2016 of $6.9 million. The Plan outlined a "peak need of close to $4.5MM" in funding driven by: (i) $2.2 million in immediate requirements (including a $1 million New York State Insurance Fund ("NYSIF") payment and other obligations including payroll and payroll taxes); (ii) $1.3 million for a 25 percent down payment on 40 vehicles; (iii) $1.0 million in other accounts payables necessary to open back up parts supplies and maintain existing vehicles.[58]

50. Further, the Plan provided key operating assumptions, in addition to those mentioned above, which included: (i) maintenance and payments of parts vendors in the first quarter; (ii) a facility move to South Bronx to improve efficiency and volume (by up to 30 percent); and (iii) additional MTA routes.[59] The Plan assumed that the successful implementation of these initiatives would result in TransCare's gross margin percentage improving from 28.6 percent to 32.1 percent.[60]

51. The January 7, 2016 plan is an iteration of the preliminary plan presented to Wells Fargo in November 2015 and further developed by TransCare management throughout December 2015. These models, which were prepared by TransCare management working with Messrs. Greenberg and Pelissier, followed the same

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[58] January 7, 2016 Preliminary Plan.

[59] January 7, 2016 Preliminary Plan.

[60] January 7, 2016 Preliminary Plan.

framework and format as the January 7, 2016 Preliminary Plan.[61]

52. I note that the early December 2015 iterations that I have reviewed forecasted a significantly higher 2016 EBITDA of between $10.5 million and $11.5 million than the 2016 annual EBITDA forecasts found in any of the subsequent models that I consider in my valuation of TransCare. See Exhibit 8.

53. TransCare management attributed such differences in projected profitability between early December 2015 and early January 2016 to the "inaction by the Board," whose sole director remained Ms. Tilton.[62] On January 3, 2016, Mr. Bonilla expressed:

> For 6 weeks [Messrs. Greenberg and Pelissier] have delayed, asked for more data, and finally so much time elapsed we had to refresh all the numbers and company has almost shut down due to cash shortfall of $4mm by 12/31. We handled all inquiries, but they always came back looking for different result [sic]. Now we have less than 24 hours at this juncture to get critical funds requested 45 days ago and what has happened beyond that is we lost more than $4mm in potential EBITDA in 2016.

61 For example, Mr. Bonilla circulated internal TransCare financial models on December 1, 2015 (TRANSCARE00107866-68) ("TransCare Business Model 2015 and 2016"), and December 3, 2015 (TRANSCARE00107987-989) ("Final Revised 2016 Budget"). Mr. Bonilla later included Messrs. Greenberg and Pelissier as recipients of these models. Mr. Bonilla also sent a model version on December 17, 2015 (TRANSCARE00005770-771) ("TransCare Business Model 2015 and 2016"). E-mail from Mr. Bonilla to Messrs. Leland, Wolf, and Greenberg dated December 13, 2015 and attached model (PP-TRBK0012469-70); Plaintiff's Exhibit 115 (Email from Mr. Bonilla to Mr. Leland dated December 14, 2015 with an attached presentation "TransCare Wells Fargo Nov 16.pptx").

62 E-mail from Mr. Bonilla to Messrs. Leland and Wolf dated January 3, 2016 (TRANSCARE00005261 - 262).

2. January 27, 2016 Carl Marks Turnaround Plan

54. On January 27, 2016, Carl Marks' Partner Marc Pfefferle ("Mr. Pfefferle") circulated a preliminary executive summary that highlighted TransCare being at "breaking point" and explained that Carl Marks had worked to "develop the most accurate financial picture of TransCare possible given the limitations of TransCare's accounting systems and financial reporting."[63]

55. Mr. Pfefferle explained that "[t]o have a chance of a turnaround, TransCare needs an immediate incremental pledge of support from Patriarch totaling $7.5M+ excluding 2016 term interest" of which "$3.5M… is required over the next two weeks including $1M this week to cover critical or unavoidable obligations to keep the business running."[64] This capital infusion would allow for TransCare to achieve "a Q4 EBITDA run rate of $2M+, which could support operations, capital lease payments and interest obligations on a go-forward basis" and 2016 EBITDA of $5.0 million.[65]

56. While the presentation cautioned that "execution risk is high and therefore ultimate payback on the incremental investment is uncertain," it also highlighted that TransCare had "several key attributes that provide the opportunity for a successful turnaround" such as "…dedicated employees…, long standing customer relationships and historical reputation for service…, and [achievable] operational fixes and

63 January 27, 2016 Carl Marks Turnaround Plan at pp. 2 and 5.

64 January 27, 2016 Carl Marks Turnaround Plan at 5.

65 January 27, 2016 Carl Marks Turnaround Plan at 5 and 14.

infrastructure improvement over time with the right leadership and commitment to invest in the business."[66]

3. January 28, 2016 Executive Summary Updates by Mr. Greenberg to Carl Marks Turnaround Plan

57. On January 28, 2016, Mr. Greenberg sent an updated version of the January 27, 2016 budget and accompanying executive summary that was intended to be shared with Ms. Tilton at a meeting that day.[67]

58. The January 28, 2016 Executive Summary projects EBITDA for the fiscal year 2016 of $5.2 million (an improvement of $0.2 million over the January 27, 2016 Carl Marks plan due to slightly higher forecasted Transit revenue) assuming that TransCare would: (i) lease or acquire twenty Type II (non-emergency) vehicles; (ii) lease or acquire at least twenty-three Type III (911) vehicles (eleven or more for New York, eight for St. Barnabas, one for each of the other main accounts (Bronx-Lebanon, Montefiore, Mt Sinai), and one for the University of Maryland); and (iii) move its NY Core facility out of Hamilton by June 30, 2016.[68]

4. February 24, 2016 NewCo Model

59. On February 24, 2016, Mr. Greenberg, sent a "TransCare NewCo Model" to

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66 January 27, 2016 Carl Marks Turnaround Plan at 5 and 8.

67 E-mails between Messrs. Grenberg, Pfefferle, Killion, Pelissier and others dated January 27,2016 (PP-TRBK0024842); E-mails between Mr. Greenberg, Ms. Provost, Mr. Husson, Mr. Landeck, and Mr. Pelissier, dated January 28, 2016 (WF_TC_00003874).

68 January 28, 2016 Update to Carl Marks Turnaround Plan at 1.

Todd Trent ("Mr. Trent") of Lockton Companies, TransCare's insurance broker. Mr. Greenberg informed Mr. Trent that NewCo was Transcendence Transit, Inc.[69]

60. The TransCare NewCo Model projects EBITDA for fiscal year 2016 of $3.2 million for only the Paratransit, Pennsylvania, and Hudson Valley divisions, excluding corporate overhead.[70] The model also "includes purchase of 5 ambulances ($300k) in February" for the Pennsylvania division.[71]

C. CAPITAL NEEDS

61. Exhibit 11 identifies TransCare's stated capital needs that, if fulfilled, would have supported the projected financial performance as identified in the business plans in January and February 2016. The exhibit illustrates that the requested capital was intended to be used in order of priority: first, for either covering immediate accounts payable obligations (including payroll, payroll taxes, insurance, and rent), and second to purchase or lease new vehicles to enable the growth that would achieve each plan's projected EBITDA.

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69 E-mail from Mr. Greenberg to Mr. Trent, dated February 24, 2016 (PP-TRBK0086219 at PP-TRBK0086219).

70 February 24, 2016 NewCo Model. The model, which includes a "toggle" field to add or remove divisions from NewCo, shows that fiscal year 2016 EBITDA totals $5.2 million. This reflects the performance of the default NewCo entities along with the Maryland, White Plains/Westchester, and Montefiore/Bronx Lebanon (TC Ambulance Corporation) divisions.

71 February 24, 2016 NewCo Model.

IV. OPERATING VALUES

A. INTRODUCTION

62. To determine the Operating Value of TransCare as of various dates between January and February 2016, I consider three widely used valuation methodologies: the discounted cash flow ("DCF") approach, the "Comparable Company", and the "Precedent Transaction" methods.[72]

63. The value of a company is based upon the cash flows it is expected to generate in the future, along with the riskiness of realizing the expected cash flows. Forecasts of a firm's future cash flows reflect beliefs about the most current indicators of the firm's prospects. Because the future is uncertain – and that uncertainty increases the further one projects into the future – projections of an entity's nearest future performance are often easier to forecast. This is especially true in the case of TransCare because of its volatile recent historical performance, insufficient capital and certain adverse events (such as loss of contracts, payroll issues, and vehicle breakdowns) that affected its operations but which were expected to be addressed in the future. In each of the valuation methodologies that I consider, therefore, I emphasize forward-looking forecasts in assessing TransCare's Operating Value.

64. The DCF method consists of valuing a firm by adding the present value of

[72] I have implemented all of these models in the past, and all can be appropriate means of estimating valuations. Many academic and professional texts describe these models, including Rosenbaum, Joshua & Joshua Pearl, 2013, Investment Banking: Valuation, Leveraged Buyouts, and Mergers & Acquisitions (Wiley, Second Edition) ("Rosenbaum & Pearl 2013") at pp. 13, 83, and 125.

its projected free cash flows into perpetuity, discounted at a rate that reflects the riskiness of those cash flows. The inputs necessary to derive projected free cash flows include projections of expected financial performance (e.g., revenue growth rates, profit margins), expected investment and capital requirements (e.g., capital expenditures, net working capital, and associated depreciation and amortization), expected tax rates, and expected riskiness of the cash flows (e.g., discount rate or weighted average cost of capital).[73] None of these are present in the January 7, 2016 Preliminary Plan.

65. The January 7, 2016 Preliminary Plan forecasts annual revenue and EBITDA for the years 2016 through 2020. See Exhibits 8 and 9. As Exhibits 8 and 9 show, it is the only financial model prepared in January and February 2016 that provides long-term annual revenue and EBITDA projections for years beyond 2016 that I consider in my valuation. While annual revenue and EBITDA forecasts are almost always a necessary component to perform an accurate DCF analysis, these inputs are not sufficient for me to apply the DCF method, which also requires forecasts of TransCare's annual expected free cash flows. In this case, TransCare's management and the creators of the January 7, 2016 Preliminary Plan did not prepare long-term projections or assumptions on capital expenditures, net working capital or associated depreciation and amortization.[74] In the absence of these forecasts, I do not have sufficient information to infer operating cash flow forecasts. Additionally, TransCare's recent state of financial distress, the historical

73 Rosenbaum & Pearl 2013 at p. 125.

74 January 7, 2016 Preliminary Plan.

variability in its performance (as summarized in Exhibits 5 and 6), and its lack of recent audited financial statements prevent me from reliably estimating those inputs myself. For these reasons, I do not further develop the DCF method in my assessment of TransCare's Operating Value.

66. I next turn to the Comparable Company and Precedent Transaction methods of estimating the value of TransCare. In both cases, I use forward-looking valuation metrics to estimate TransCare's Operating Value.

67. In the Comparable Company methodology, the implied value of a firm is determined based on the trading prices of public companies that are similar to the subject firm. The industry in which TransCare operates has two publicly traded peers during the relevant period: Envision Healthcare Corporation and Air Methods Corporation. I note that these firms were identified by Mr. Greenberg in his market comparable companies analysis, which he shared with Ms. Tilton, on December 18, 2015.[75] In summarizing his analysis, Mr. Greenberg concluded that "EV to revenue multiple averages 1.8x and EV to LTM EBITDA averages 10.1x."[76] The value of TransCare is determined by applying the comparable companies' Enterprise Value – to – Projected Earnings Before Interest, Taxes, Depreciation, and Amortization multiple ("EV /

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75 E-mail from Mr. Greenberg to Ms. Tilton dated December 18, 2015 (PP-TRBK0041410) and attachment (PP-TRBK0041414). Mr. Greenberg also identified PHI, Inc. as a potential comparable but excluded it from his analysis since it "appears to be an outlier." I further note that S&P Capital IQ does not report Forward EV/EBITDA multiples for PHI, Inc.

76 E-mail from Mr. Greenberg to Ms. Tilton dated December 18, 2015 (PP-TRBK0041410)

Forward EBITDA Multiple") to TransCare's projected EBITDA.[77]

68. When implementing the Precedent Transaction method, the implied value of a firm is determined based on the multiples paid for comparable companies in prior M&A transactions.[78] I rely on the two transaction comparables and the EV / EBITDA multiples identified by Mr. Greenberg and shared with Ms. Tilton on December 18, 2015: (i) Envision Healthcare Corporation's acquisition of Rural/Metro Corporation, and (ii) KKR & Co., Inc.'s acquisition of Air Medical Group Holdings.[79]

B. Valuations Based on Industry Multiples Identified by Ms. Tilton

69. In addition, I perform a valuation of TransCare relying on the 7.0x – 8.0x EV / EBITDA industry multiples range identified by Ms. Tilton during her deposition.[80] I note that Ms. Tilton's assumed multiples range is generally consistent with the multiples range derived from the Comparable Company method, which provides support to my conclusions on TransCare's Operating Value using that method. See Exhibit 12.

C. Valuations Based on Potential Offers for Assets

70. I estimate a total enterprise value of TransCare relying on the 8.0x

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77 Rosenbaum & Pearl 2013 at p. 13.

78 Rosenbaum & Pearl 2013 at p. 83.

79 E-mail from Mr. Greenberg to Ms. Tilton dated December 18, 2015 (PP-TRBK0041410) and attachment (PP-TRBK0041414). Mr. Greenberg also identified the following transactions as comparable but didn't report EV/EBITDA multiples for them: (i) Falck USA Holdings, Inc.'s acquisition of Verihealth Inc.; (ii) Air Methods Corp.' acquisition of Tri-State CareFlight, LLC; (iii) ProTransport-1, LLC's acquisition of Century Ambulance Service, Inc.; and (iv) ProTransport-1, LLC's acquisition of PRN Ambulance, Inc. I further note that S&P Capital IQ does not report EV/EBITDA multiples for the transaction comparables identified by Mr. Greenberg.

80 Tilton Deposition at p. 119.

EV/EBITDA offered by RCA for all or part of TransCare's assets on at least three dates in the course of 2015. I note that this multiple falls within the multiple ranges derived from the Comparable Company Approach and provides support to my conclusions on Operating Value. See Exhibit 12. I also note, however, that these preliminary offers were made without the benefit of due diligence.

D. Ms. Tilton's Foreclosure and Buy-Out Transaction

71. In the attempted Foreclosure and Buy-Out transaction, Ms. Tilton represented the interests of the acquirer, the target, and the majority of the lenders. I note that her valuation of NewCo at $22.1 million is just below the low range of the Operating Value of NewCo that I estimate in this report.

E. Summary

72. Exhibit 12e provides a summary of the implied Operating Values that I derive using the methods described above and as reflected in Exhibits 12a through 12d. The exhibits show an implied Operating Value of between $22.7 million and $86.5 million using the Comparable Company and Precedent Transaction methods. As the exhibit shows, the implied Operating Values for WholeCo range from $35.3 million to $86.5 million and the implied Operating Values for NewCo range from $22.7 million to $39.1 million. The exhibit also shows a range of implied Operating Values of $39.7 million to $55.5 million for WholeCo and $25.6 million for NewCo based upon the expressions of interest. Exhibit 12e also shows a range of implied Operating Values based upon Ms. Tilton's industry multiples of $34.8 million to $55.5 million for WholeCo and $22.4 million

to $25.6 million for NewCo.

73. As described above, TransCare's management had apparently concluded by January 3, 2016 that TransCare's reduced earnings outlook was due to "inaction" by the Board (that is, Ms. Tilton).[81] With time, that outlook only worsened: throughout January 2016, each subsequent set of projections forecasts lower 2016 EBITDA. This reduced outlook reflects delays in the Board's actions concerning TransCare's urgent (and overdue) financial obligations and capital requirements to survive as a going concern. I therefore view the range of Operating Values derived from January 7, 2016 Preliminary Plan as the most appropriate range of implied Operating Values.

V. LIQUIDATION VALUE AFTER FEBRUARY 24, 2016

74. On February 24, 2016, TransCare entered Chapter 7 liquidation and TransCare's assets were to be sold off collectively or individually in a forced manner, as opposed to an orderly manner, and in a shorter time frame than would normally be needed to achieve the Operating Value.

75. I was instructed to estimate the Liquidation Values based on documents provided to me by counsel from the Chapter 7 bankruptcy proceedings case docket.

76. I understand that the Liquidation Value of TransCare as a whole is $19.2 million ("WholeCo Liquidation Value") and results from the sum of the sale value (net of sale and collection costs) of TransCare's assets: (i) $11.7 million from the sale of

[81] E-mail from Mr. Bonilla to Messrs. Leland and Wolf dated January 3, 2016 (TRANSCARE00005261 - 262).

Certificates of Need ("CONs"), (ii) $2.0 from the sale of equipment and physical assets sold, and (iii) $5.6 million from TransCare's accounts receivable collected. See Exhibit 13.

77. I understand that the Liquidation Value of the assets included in NewCo is $5.7 million ("NewCo Liquidation Value") and results from the sum of the sale value (net of allocable sale and collection costs) of TransCare's assets as planned to be distributed to NewCo: (i) $1.9 million from the sale of the Certificate of Need no. 0667, (ii) $0.8 million equipment and physical assets, and (iii) $3.1 million from TransCare's accounts receivable collected. See Exhibit 13.

VI. DIFFERENCE BETWEEN OPERATING VALUES AND LIQUIDATION VALUE

A. Measuring the Difference

78. Counsel for the Plaintiff has asked me to calculate the difference between TransCare's Operating Values and Liquidation Value based on plans and models developed by TransCare, Patriarch, and Carl Marks at different points in time between January and February 2016. Exhibit 14 shows that the difference between Operating Values and Liquidation Value across assets to be operated or sold and across dates ranges from $16.1 million and $67.3 million. When using the implied Operating Values based upon January 2016 projections for WholeCo, Exhibit 14 shows that the difference ranges from $16.1 million to $67.3 million. When using the implied Operating Value based on February 2016 projections for NewCo, the Difference ranges from $17.0 million to $33.4 million.

VII. CONCLUSION

79. Based on the foregoing, it is my opinion that TransCare's Operating Values between January and February 2016 was between $22.7 million and $86.5 million prior to the Liquidation Filing Date. The difference between the Operating Values and Liquidation Value of TransCare ranges from $16.1 million to $67.3 million.

80. Further, when I break down the analysis for WholeCo and NewCo, I conclude that:

- The Operating Values based on January 2016 projections for the TransCare in its entire ("WholeCo") range from $35.3 million to $86.5 million;
- The Operating Value based on February 2016 projections for selected assets ("NewCo") ranges from $22.7 million to $39.1 million;
- The difference between TransCare's Operating Values based on January 2016 projections for WholeCo and the Liquidation Value is between $16.1 million and $67.3 million; and
- The difference between TransCare's Operating Value based on February 2016 projections for NewCo and the Liquidation Value is between $17.0 million and $33.4 million.

November 30, 2018

Jonathan I. Arnold, Ph.D.

NOVEMBER 2018

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TESTIMONY – SINCE 2014:

- Rebuttal Expert Report in *Jo Ann Howard and Associates v. J. Douglas Cassity*, U.S. District Court Eastern District of Missouri, Case No. 09-CV-1252-ERW. (November 2018)
- Expert Report in *U.S.A. v. Matthew Connolly and Gavin Black*, U.S. District Court, Southern District of New York, Case No. 01:16-CR-00370 (CM). (September 2018)
- Deposition in *Jo Ann Howard and Associates v. J. Douglas Cassity*, U.S. District Court Eastern District of Missouri, Case No. 09-CV-1252-ERW. (August 2018)
- Expert Report in *Jo Ann Howard and Associates v. J. Douglas Cassity*, U.S. District Court Eastern District of Missouri, Case No. 09-CV-1252-ERW. (July 2018)

- Deposition in *Eagle View Technologies v. Xactware Solutions*, U.S. District Court for the District of New Jersey, Civil Action No. 15-cv-07025. (May 2018)
- Expert Report in *State of Washington v. LG Electronics*, Superior Court of King County, Washington, Case No. 12-2-15842-8. (May 2018)
- Rebuttal Expert Report in *Eagle View Technologies v. Xactware Solutions*, U.S. District Court for the District of New Jersey, Civil Action No. 15-cv-07025. (May 2018)
- Expert Report in *Eagle View Technologies v. Xactware Solutions*, U.S. District Court for the District of New Jersey, Civil Action No. 15-cv-07025. (May 2018)
- Expert Report in *Eagle View Technologies v. Xactware Solutions*, U.S. District Court for the District of New Jersey, Civil Action No. 15-cv-07025. (April 2018)
- Testimony *In the Matter of Certain Two-Way Radio Equipment and Systems, Related Software and Components Thereof*, United States International Trade Commission, Washington, D.C., Investigation No. 337-TA-1053. (January 2018)
- Deposition *In the Matter of Certain Two-Way Radio Equipment and Systems, Related Software and Components Thereof*, United States International Trade Commission, Washington, D.C., Investigation No. 337-TA-1053. (November 2017)
- Expert Report *In the Matter of Certain Two-Way Radio Equipment and Systems, Related Software and Components Thereof*, United States International Trade Commission, Washington, D.C., Investigation No. 337-TA-1053. (October 2017)
- Deposition *In re Avaya*, U.S. Bankruptcy Court of the Southern District of New York, Ch. 11, Case No. 17-10089. (October 2017)
- Expert Report *In re Avaya*, U.S. Bankruptcy Court of the Southern District of New York, Ch. 11, Case No. 17-10089. (October 2017)
- Deposition in *Stark Master Fund Ltd. and Stark Global Opportunities Master Fund Ltd. v. Credit Suisse Securities*, U.S. District Court for the Eastern District of Wisconsin, No. 14-cv-689. (August 2017)
- Testimony in *The Financial Oversight and Management Board for Puerto Rico, as representative of The Commonwealth of Puerto Rico* (PROMESA Title III No. 17 BK 3283-LTS); in re: The Financial Oversight and Management Board for Puerto Rico, as representative of Puerto Rico Highways & Transportation Authority (PROMESA Title III, No. 17 BK 3567-LTS); Peaje Investments v. Puerto Rico Highways & Transportation Authority (Adv. Proc. No. 17-151-LTS in 17 BK 3567-LTS and Adv. Proc. No. 17-152-LTS in 17 BK 3283-LTS) (August 2017)
- Rebuttal Expert Report in *Stark Master Fund Ltd. and Stark Global Opportunities Master Fund Ltd. V. Credit Suisse Securities*, U.S. District Court of the Eastern District of Wisconsin, No. 14-cv-689. (August 2017)
- Deposition in *The United States of America, ex rel., John H. Oberg v. Pennsylvania Higher Education Assistance Agency*, U.S. District court of the Easter District of Virginia, No. 1:07-cv-00960-CMH-JFA. (August 2017)
- Deposition in *The Financial Oversight and Management Board for Puerto Rico, as representative of The Commonwealth of Puerto Rico* (PROMESA Title III No. 17 BK 3283-LTS); in re: The

Financial Oversight and Management Board for Puerto Rico, as representative of Puerto Rico Highways & Transportation Authority (PROMESA Title III, No. 17 BK 3567-LTS); Peaje Investments v. Puerto Rico Highways & Transportation Authority (Adv. Proc. No. 17-151-LTS in 17 BK 3567-LTS and Adv. Proc. No. 17-152-LTS in 17 BK 3283-LTS) (July 2017)

- Declaration in *The Financial Oversight and Management Board for Puerto Rico, as representative of The Commonwealth of Puerto Rico* (PROMESA Title III No. 17 BK 3283-LTS); in re: The Financial Oversight and Management Board for Puerto Rico, as representative of Puerto Rico Highways & Transportation Authority (PROMESA Title III, No. 17 BK 3567-LTS); Peaje Investments v. Puerto Rico Highways & Transportation Authority (Adv. Proc. No. 17-151-LTS in 17 BK 3567-LTS and Adv. Proc. No. 17-152-LTS in 17 BK 3283-LTS) (July 2017)
- Expert Report in *Stark Master Fund Ltd. and Stark Global Opportunities Master Fund Ltd. V. Credit Suisse Securities*, U.S. District Court of the Eastern District of Wisconsin, No. 14-cv-689. (July 2017)
- Expert Report in *The United States of America, ex rel., John H. Oberg v. Pennsylvania Higher Education Assistance Agency,* U.S. District court of the Easter District of Virginia, No. 1:07-cv-00960-CMH-JFA. (June 2017)
- Deposition in *The State of Illinois v. Hitachi*, Circuit Court of Cook County, Illinois, County Department, Chancery Division, Case No. 2012-CH-35266. (April 2017)
- Hearing Testimony in *Arista Networks, Inc. v. Cisco Systems, Inc.*, International Trade Commission Washington, D.C., Investigation No. 337-TA-977. (April 2017)
- Deposition in *Arista Networks, Inc. v. Cisco Systems, Inc.*, International Trade Commission Washington, D.C., Investigation No. 337-TA-977. (February 2017)
- Second Supplemental Expert Report in *Arista Networks v. Cisco Systems*, International Trade Commission Washington, D.C., Investigation No. 337-TA-977. (February 2017)
- Supplemental Expert Report in *Arista Networks v. Cisco Systems*, International Trade Commission Washington, D.C., Investigation No. 337-TA-977. (February 2017)
- Expert Report in *Arista Networks v. Cisco Systems*, International Trade Commission Washington, D.C., Investigation No. 337-TA-977. (January 2017)
- Rebuttal Expert Report in *The State of Illinois v. Hitachi*, Circuit Court of Cook County, Illinois, County Department, Chancery Division, Case No. 2012-CH-35266. (January 2017)
- Court Testimony in a consolidated proceeding comprising *Brigade Leveraged Capital Structures Fund v. Alejandro Garcia-Padilla* (16-1610), *National Public Finance Guarantee v. Alejandro Garcia-Padilla* (16-2101), *Dionisio Trigo-Gonzalez v. Alejandro Garcia-Padilla* (16-2257), and *U.S. Bank Trust National Association v. The Commonwealth of Puerto Rico* (16-2510), U.S. District Court, District of Puerto Rico. (September 2016)
- Deposition in *MyFord Touch Consumer Litigation*, U.S. District Court, Northern District of California, San Francisco Division, Case No. 13-cv-3072-EMC. (September 2016)
- Responsive Damages Expert Report in *MyFord Touch Consumer Litigation*, U.S. District Court, Northern District of California, San Francisco Division, Case No. 13-cv-3072-EMC. (September 2016)

- Expert Report in *The State of Illinois v. Hitachi*, Circuit Court of Cook County, Illinois, County Department, Chancery Division, Case No. 2012-CH-35266. (August 2016)
- Deposition in *Philips v. Ford*, U.S. District Court, Northern District of California, San Jose Division, Case No. 5:14-cv-02989-LHK. (August 2016)
- Trial Testimony in *Nortek Air Solutions v. Energy Labs*, U.S. District Court, Northern District of California, San Jose Division, Case No. 5:14-cv-02919-BLF. (August 2016)
- Damages Expert Report in *MyFord Touch Consumer Litigation*, U.S. District Court, Northern District of California, San Francisco Division, Case No. 13-cv-3072-EMC. (August 2016)
- Expert Report in *Philips v. Ford*, U.S. District Court, Northern District of California, San Jose Division, Case No. 5:14-cv-02989-LHK. (July 2016)
- Responsive Expert Report in *MyFord Touch Consumer Litigation*, U.S. District Court, Northern District of California, San Francisco Division, Case No. 13-cv-3072-EMC. (May 2016)
- Supplemental Declaration *Lena K. Thodos and David Miller v. Nicor*, Circuit Court of Cook County, Illinois County Department, Chancery Division, Case No. 11CH06556. (April 2016)
- Deposition in *Nortek Air Solutions v. Energy Labs*, U.S. District Court, Northern District of California, San Jose Division, Case No. 5:14-cv-02919-BLF (March 2016)
- Expert Report in *Nortek Air Solutions v. Energy Labs*, U.S. District Court, Northern District of California, San Jose Division, Case No. 5:14-cv-02919-BLF (February 2016)
- Deposition in *MyFord Touch Consumer Litigation*, U.S. District Court, Northern District of California, San Francisco Division, Case No. 13-cv-3072-EMC. (February 2016)
- Deposition in *Richard S. Stack, M.D. v. Abbott Laboratories*, U.S. District Court, Middle District of North Carolina, Case No. 1:12-CV-148. (January 2016)
- Expert Report in *MyFord Touch Consumer Litigation,* U.S. District Court, Northern District of California, San Francisco Division, Case No. 13-cv-3072-EMC. (January 2016)
- Deposition in *Lena K. Thodos and David Miller v. Nicor*, Circuit Court of Cook County, Illinois County Department, Chancery Division, Case No. 11CH06556. (December 2015)
- Expert Report in *Richard S. Stack, M.D. v. Abbott Laboratories*, U.S. District Court, Middle District of North Carolina, Case No. 1:12-CV-148. (December 2015)
- Declaration in *Russell Dover v. British Airways*, U.S. District Court, Eastern District of New York, Case No. 1:12-CV-05567. (November 2015)
- Declaration in *Lena K. Thodos and David Miller v. Nicor*, Circuit Court of Cook County, Illinois County Department, Chancery Division, Case No. 11CH06556. (October 2015)
- Deposition in *Jo Ann Howard and Associates v. J. Douglas Cassity*, U.S. District Court Eastern District of Missouri, Case No. 09-CV-1252-ERW. (October 2015)
- Supplemental Expert Report in *Russell Dover v. British Airways*, U.S. District Court, Eastern District of New York, Case No. 1:12-cv-05567. (September 2015)

- Deposition in *Russell Dover v. British Airways*, U.S. District Court, Eastern District of New York, Case No. 1:12-cv-05567. (August 2015)
- Rebuttal Expert Report in *Russell Dover v. British Airways*, U.S. District Court, Eastern District of New York, Case No. 1:12-cv-05567. (June 2015)
- Expert Report in *Russell Dover v. British Airways*, U.S. District Court, Eastern District of New York, Case No. 1:12-cv-05567. (May 2015)
- Expert Report in *Thomas & Betts International v. Burny*, U.S. District Court, Western District of Tennessee, Case No. 2:14-cv-2296-JPM-tmp. (April 2015)
- Testimony in *Jo Ann Howard and Associates v. J. Douglas Cassity*, U.S. District Court Eastern District of Missouri, Case No. 09-CV-1252-ERW. (March 2015)
- Deposition in *Jo Ann Howard and Associates v. J. Douglas Cassity*, U.S. District Court Eastern District of Missouri, Case No. 09-CV-1252-ERW. (February 2015)
- Deposition in *Jo Ann Howard and Associates v. J. Douglas Cassity*, U.S. District Court Eastern District of Missouri, Case No. 09-CV-1252-ERW. (January 2015)
- Expert Report in *Jo Ann Howard and Associates v. J. Douglas Cassity*, U.S. District Court Eastern District of Missouri, Case No. 09-CV-1252-ERW. (January 2015)
- Reply Declaration in *Cryolife, Inc. v. C.R. Bard*, U. S. District Court of the District of Delaware, Case No. CV-14-00559-SLR. (January 2015)
- Declaration in *Cryolife, Inc. v. C.R. Bard*, U. S. District Court of the District of Delaware, Case No. CV-14-00559-SLR. (September 2014)
- Expert Report in *Illinois Pension Litigation*, Circuit Court for the Seventh Judicial Circuit, Sangamon County Illinois, Case No. 2014-MR1. (August 2014)
- Deposition in *Jo Ann Howard and Associates v. J. Douglas Cassity*, U.S. District Court Eastern District of Missouri, Case No. 09-CV-1252-ERW. (August 2014)
- Expert Report in *Jo Ann Howard and Associates v. J. Douglas Cassity*, et al., U.S. District Court Eastern District of Missouri, Case No. 09-CV-1252-ERW. (July 2014)
- Testimony in *SolidFX v. Jeppesen Sanderson*, U.S. District Court, District of Colorado, Case No. 11-CV-1468. (April 2014)

TEACHING EXPERIENCE:

- **Columbia University and Duke University**
  Guest Lecturer (2002 – 2004)

- **The University of Chicago, Department of Economics and Graduate School of Business**
  Lecturer (1998 – 1999)

  Taught microeconomics (topics included price theory, industrial organization, capital theory, principles of labor economics, and durable goods economics)

- **Loyola University Chicago School of Law**

Lecturer of Law (1997 – 1998)

Taught antitrust economics

PROFESSIONAL AFFILIATIONS:

American Economics Association

OTHER:

Certified Public Accountant

MATERIALS RELIED UPON

Legal Filings

Schedules of Assets and Liabilities, In the United States Bankruptcy Court of the Southern District of New York, Case No 02-14385, September 20, 2002.

Amended Complaint In re TransCare Corporation, et al, In the United States Bankruptcy Court of the Southern District of New York, Case No 16-10407, November 28 2018.

Debtor TransCare Corporation's Amended List of Equity Security Holders and Statement of Corporate Ownership, In the United States Bankruptcy Court of the Southern District of New York, Case No 16-10407, May 9, 2016.

Defendants FSAR Holdings, Inc. Post-Trial Brief, In the Court of Chancery of the State of Delaware, public version filed July 3, 2017.

Defendants FSAR Holdings, Inc. Post-Trial Brief, In the Court of Chancery of the State of Delaware, C.A. No. 12946-VCS, public version filed July 3, 2017.

Defendants Lynn Tilton's Corrected Post-Trial Brief, In the Court of Chancery of the State of Delaware, C.A. No. 12946-VCS, public version filed July 5, 2017.

Memorandum Opinion re Zohar II 2005-1, Limited and Zohar III, Limited v. FSAR Holdings, Inc. et al., In the Court of Chancery of the State of Delaware, C.A. No. 12946-VCS, November 30, 2017.

Order, Pursuant to 11 U.S.C. §§ 105(a) and 721, Authorizing the Chapter 7 Trustee to Operate the Debtors' Business and Pay Certain Operating Expenses of These Estates, In the United States Bankruptcy Court of the Southern District of New York, Case No 16-10407, March 24, 2016.

Auctioneer's Report of Commission and Expenses for the Auction Sale of the Assets Conducted on June 21, 2016, In the United States Bankruptcy Court of the Southern District of New York, Case No 16-10407, August 23, 2016.

Auctioneer's Report of Commission and Expenses for the Auction Sale of the Assets Conducted on April 20th, May 4th, May 6th, May 11th, & May 12th, 2016, In the United States Bankruptcy Court of the Southern District of New York, Case No 16-10407, August 23, 2016.

Debtors TransCare Corporation, et al., Monthly Operating Statement for the Period Ended September 30, 2016, In the United States Bankruptcy Court of the Southern District of New York, Case No 16-10407, October 17, 2016.

Order Authorizing and Approving the Sale of Ambulance Service Certificate No. 0667 to Maler Group LLC, In the United States Bankruptcy Court of the Southern District of New York, Case No 16-10407, July 6, 2016.

Affirmation to Confirm the Results of the Sale of the Debtors' Ambulance Service Certificates Issued by the New York State Department of Health, In the United States

Bankruptcy Court of the Southern District of New York, Case No 16-10407, July 1, 2016.

Summary Sheet for First Interim Application of LaMonica Herbst & Maniscalco, LLP, Counsel to Salvatore LaMonica, as Chapter 7 Trustee, for Allowance of Interim Compensation and Reimbursement of Expenses, In the United States Bankruptcy Court of the Southern District of New York, Case No 16-10407, January 17, 2017.

Order Authorizing the Chapter 7 Trustee to Allocate the Expenses of the Public Auctions Between the Debtors' Estates and Reimburse the TransCare Corporation Estate for the Related Relief, In the United States Bankruptcy Court of the Southern District of New York, Case No 16-10407, April 4, 2017.

First Interim Fee Application of Lucy L. Thomson For Allowance of Compensation for Service Rendered as Patient Care Ombudsman, In the United States Bankruptcy Court of the Southern District of New York, Case No 16-10407, January 18, 2017.

Notice of Hearing on the Motion of Chapter 7 Trustee Seeking Entry of an Order Pursuant to the Federal Rule of Bankruptcy Procedure 9019(a), Approving the Mutual Release and Settlement Agreement By and Between the Chapter 7 Trustee, On Behalf of the Debtors' Estates, Wells Fargo Bank, N.A., and Montefiore Medical Center, Montefiore Mount Vernon Hospital and Montefiore New Rochelle Hospital, In the United States Bankruptcy Court of the Southern District of New York, Case No 16-10407, December 6, 2016.

Monthly Operating Statement for the Period Ended September 30, 2016, In the United States Bankruptcy Court of the Southern District of New York, Case No 16-10407, October 18, 2016

Monthly Operating Statement for the Period Ended November 30, 2016, In the United States Bankruptcy Court of the Southern District of New York, Case No 16-10407, January 18, 2017.

Monthly Operating Statement for the Period Ended December 31, 2016, In the United States Bankruptcy Court of the Southern District of New York, Case No 16-10407, January 17, 2017.

Monthly Operating Statement for the Period Ended March 31, 2017, In the United States Bankruptcy Court of the Southern District of New York, Case No 16-10407, May 16, 2017.

Monthly Operating Statement for the Period Ended February 29, 2016, In the United States Bankruptcy Court of the Southern District of New York, Case No 16-10407, April 26, 2016.

Monthly Operating Statement for the Period Ended March 31, 2016, In the United States Bankruptcy Court of the Southern District of New York, Case No 16-10407, April 26, 2016.

Monthly Operating Statement for the Period Ended April 30, 2016, In the United States Bankruptcy Court of the Southern District of New York, Case No 16-10407, June 1, 2016.

Monthly Operating Statement for the Period Ended May 31, 2016, In the United

States Bankruptcy Court of the Southern District of New York, Case No 16-10407, July 7, 2016.

Monthly Operating Statement for the Period Ended June 30, 2016, In the United States Bankruptcy Court of the Southern District of New York, Case No 16-10407, August 19, 2016.

Monthly Operating Statement for the Period Ended July 31, 2016, In the United States Bankruptcy Court of the Southern District of New York, Case No 16-10407, August 19, 2016.

Monthly Operating Statement for the Period Ended August 31, 2016, In the United States Bankruptcy Court of the Southern District of New York, Case No 16-10407, September 20, 2016.

Monthly Operating Statement for the Period Ended October 31, 2016, In the United States Bankruptcy Court of the Southern District of New York, Case No 16-10407, November 15, 2016.

Monthly Operating Statement for the Period Ended January 31, 2017, In the United States Bankruptcy Court of the Southern District of New York, Case No 16-10407, February 23, 2017.

Monthly Operating Statement for the Period Ended February 28, 2017, In the United States Bankruptcy Court of the Southern District of New York, Case No 16-10407, March 16, 2017.

Monthly Operating Statement for the Period Ended April 30, 2017, In the United States Bankruptcy Court of the Southern District of New York, Case No 16-10407, May 16, 2017.

Depositions

Deposition of Lynn Tilton, October 29, 2018

Deposition of John Husson, November 11, 2018

Deposition of Glenn Leland, November 27, 2018

Academic Literature/Textbooks

Rosenbaum, Joshua & Joshua Pearl, 2013, Investment Banking: Valuation, Leveraged Buyouts, and Mergers & Acquisitions (Wiley, Second Edition)

Press Releases/News Articles

"Ambulance Company speeds into Chapter 11." The Westchester County Business Journal, September 3, 2002.

"Private Ambulance Service Backed by ‘Wonder Woman of Wall Street’ Files Bankruptcy." New York Business Journal Online, February 25, 2016

"TransCare Announces Two Significant Milestones" BusinessWire, July 20, 2015, available at http://www.businesswire.com/news/home/20150720005828/en/, accessed November 5, 2018.

"TransCare set to emerge from Ch. 11." Pittsburgh Business Times, July 7, 2003, available at https://www.bizjournals.com/pittsburgh/stories/2003/07/07/story6.html?sprint, accessed November 5, 2018.

Bates Stamped Documents

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AL-00236
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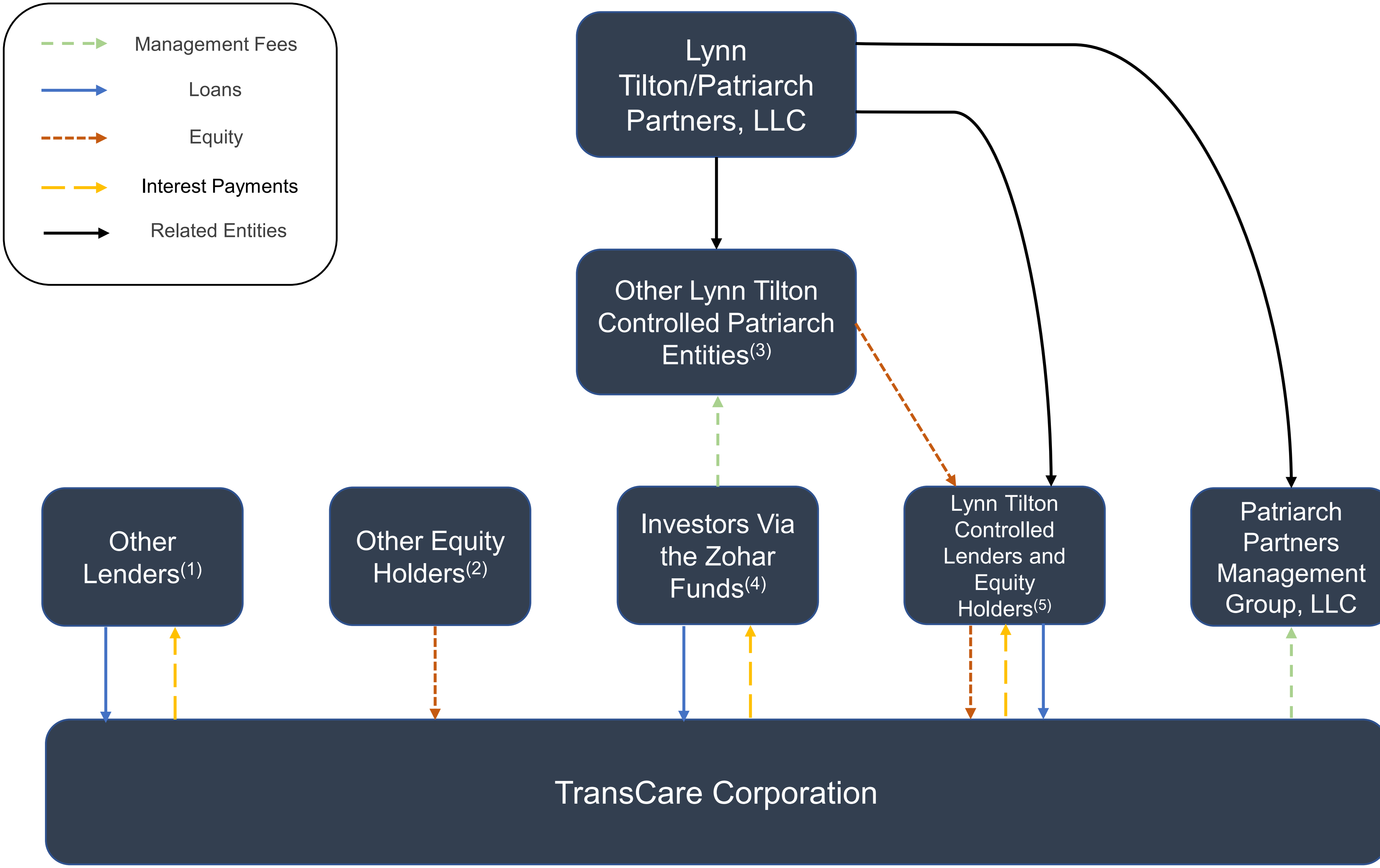
PP-TRBK0086219	TRANSCARE00107866
PP-TRBK0087751	TRANSCARE00195974
PP-TRBK0089542	TRANSCARE00198138
PP-TRBK0090486	TRANSCARE00231115
PP-TRBK0091282	WF00001541
TRANSCARE00000395	WF_TC_00003874

All materials cited in this report and exhibits.

EXHIBIT 1

TransCare Corporation
Funds, Fees, and Interest Payments Flow to and from TransCare
Tilton-Controlled Entities and Outside Equity and Debt Holders



Notes:

(1) Includes Wells Fargo, NA; Credit Suisse Alternative Capital, Inc.; First Dominion Funding I

(2) Includes Sigler & Company c/o First Dominion Funding I; Sigler & Co. Credit Suisse Alternative Capital; Sigler & Company as nominee for First Dominion Funding I; Sigler & Co. c/o CSAM Funding II; Sigler & Co. c/o CSAM Funding III; Sigler & Co. c/o Atrium CDO

(3) Includes Patriarch Partners Agency Services, LLC; Patriarch Partners II, LLC; Patriarch Partners III, LLC; Patriarch Partners VIII, LLC; Patriarch Partners XIV, LLC; Patriarch Partners XV, LLC; LD Investments, LLC

(4) "Zohar Funds" include Zohar CDO 2003-1, Limited; Zohar II 2005-1, Limited; Zohar III, Limited

(5) Includes Ark II CLO 2001-1, Limited; Ark Investment Partners II, L.P; Ark Investment GP II, LLC

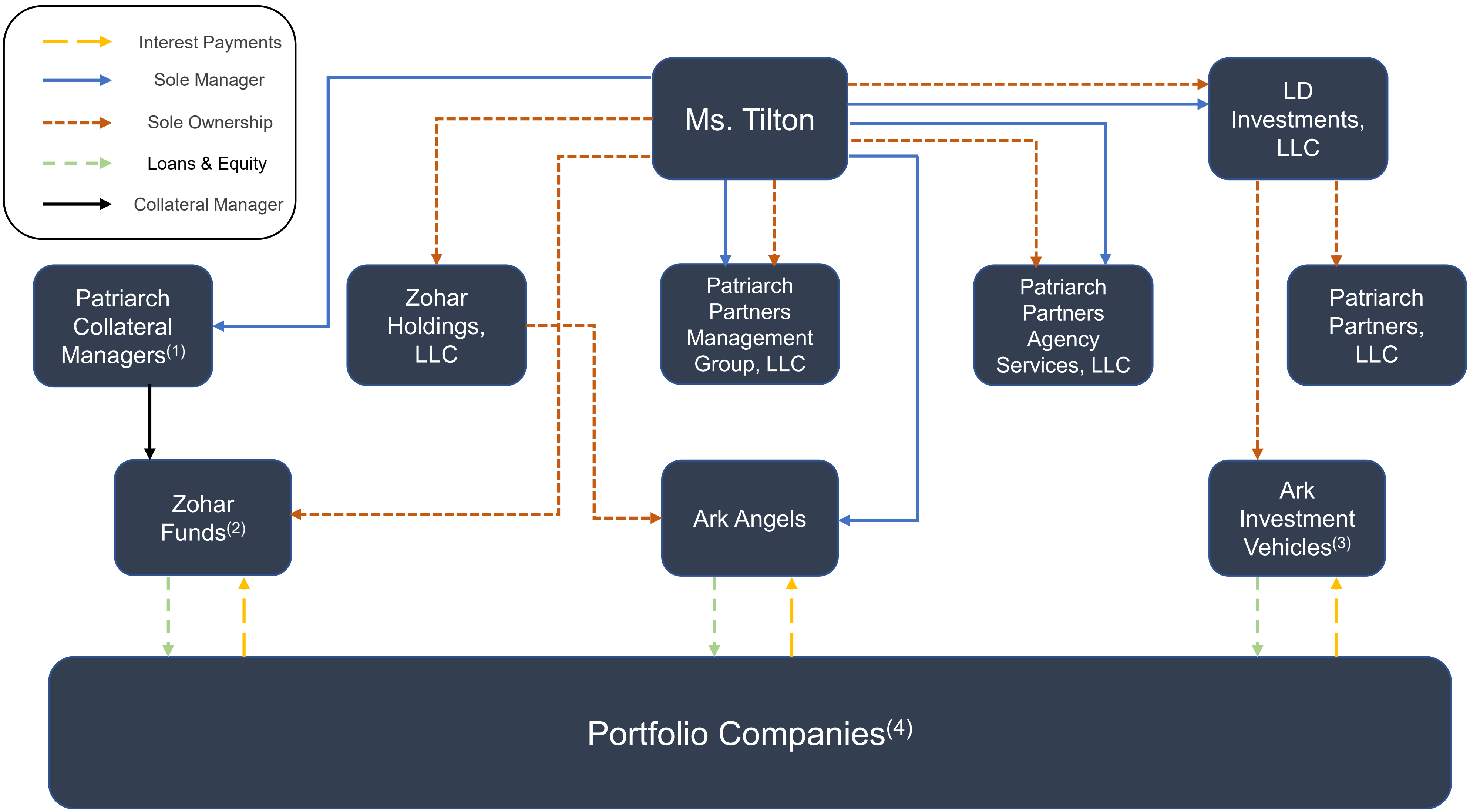
The Authority Matrix that governs the actions of TransCare's management states, "the Director [Tilton] hereby authorizes the Chief Executive Officer to approve, adopt, authorize, agree, or enter into contracts…on behalf of the Corporation, subject… to obtaining approval and authorization… by the Designated Executive or the full Board." According to the Complaint at 10, as of 2015 no Designated Executive had been appointed and the only Board member was Tilton. See Schedule A of TransCare Corporation Written Consent of the Sole Director dated July 10, 2012.

Sources:

Complaint at 4-10, 16, 19-21, 32; Exhibit A of Amendment No. 27 to Credit Agreement of TransCare Corporation dated July 7, 2015 among TransCare Corporation and Patriarch Partners Agency Services, LLC (TRANSCARE00000395); Credit Agreement of TransCare Corporation dated January 15, 2016 among TransCare Corporation and Ark II CLO 2001-1, Limited at 1; Memorandum Opinion In Zohar II 2005-1 Ltd., et al. v. FSAR Holdings Inc. et al., Case No. 12946-VCS before the Delaware Court of Chancery Filed on November 30, 2017 at 2-14; Defendant Lynn Tilton's Corrected Post-Trial Brief In Zohar II 2005-1 Ltd., et al. v. FSAR Holdings Inc. et al., Case No. 12946-VCS before the Delaware Court of Chancery Filed on July 5, 2017 at 31-32; Debtor TransCare Corporation's Amended List of Equity Security Holders and Statement of Corporate Ownership In re: TransCare Corporation, et al. Chapter 7 Case No. 16-10407 (SMB) before the United States Bankruptcy Court Southern District of New York Filed on May 9, 2016 at 1-2; Defendants FSAR Holdings, Inc., Glenoit Universal Ltd., and UI Acquisition Holding Co.'s Post-Trial Brief In Zohar II 2005-1 Ltd., et al. v. FSAR Holdings Inc. et al., Case No. 12946-VCS before the Delaware Court of Chancery Filed on July 3, 2017 at 12; Consolidated Financial Statements, TransCare Corporation and Subsidies, Year Ended December 31, 2013 at 15-20 (TRANSCARE00062780 at TRANSCARE00062797-802).

EXHIBIT 2

Ms. Tilton
Roles within the Patriarch Business Structure



Source: Tilton Deposition at 10-13, 17-26, 52, 61-65, 74.

Notes:

(1) Includes Patriarch Partners VIII, LLC; Patriarch Partners XIV, LLC; Patriarch Partners XV, LLC. These entities ceased their roles as collateral managers in March 2016.

(2) Includes Zohar CDO 2003-1, Limited; Zohar II 2005-1, Limited; Zohar III, Limited. Ms. Tilton is a noteholder in all three funds.

(3) Includes Ark II CLO 2001-1, Limited; Ark Investment Partners II, L.P.

(4) Includes MB Helicopters, Inc.; Dura Automotive Systems; Stila Cosmetics; and approximately 57 other companies. Ms. Tilton is a director of each company.

Patriarch Partners Management Group, LLC employees work on the operational side of the Portfolio Companies.

Zohar Holdings, LLC is owned 99% by Ms. Tilton and 1% by a trust for Ms. Tilton’s daughter.

Ms. Tilton is the CEO of MB Helicopters, Dura Automotive Systems, Global Automotive Systems, and Stila Cosmetics.

EXHIBIT 3

TransCare Corporation
Summary of Indications of Interest

Date	Potential Acquiror	Interest	Valuation Multiple	Valuation Range
02/05/15	National Express	MTA Contract	None Specified. Potential offer based on $4MM EBITDA per year 5-year contract, discounted at 10%-15%.	$17.0mm to $18.0mm
02/10/15	RCA	"Sale or management takeover to operate the company in NYC as well as outside of the NYC territory."	None Specified	None Specified
02/13/15	RCA	"Sale of Transcare or operating management agreement takeover by RCA… In NYC as well as outside NYC."	None Specified	None Specified
02/20/15	RCA	"Part or all of Transcare Ambulance… We would also consider an operational management arrangement"	"Before getting into details on financials RCA is prepared to offer up to **eight times the EBITDA**"	None Specified
03/03/15	RCA	"Part or all of Transcare Ambulance… We would also consider an operational management arrangement"	"Before getting into details on financials RCA is prepared to offer up to **eight times the EBITDA**"	None Specified
04/07/15	RCA	Any assets	None Specified	None Specified
07/08/15	RCA	Whole Company	**EBITDA multiple of 8X**	$80mm to $96mm before debt
07/10/15	National Express	MTA Contract	None Specified	$6.0mm to $7.0mm plus assumption of up to $2.0mm of obligations
10/11/15	MONOC	"Service lines outside of the State of New York"	None Specified	None Specified
12/16/15	National Express	MTA Contract	None Specified	$6.0mm to $7.0mm plus assumption of up to $2.0mm of obligations

Sources: E-mail from Mr. Leland to Mr. Pelissier, et al. dated February 6, 2015 (TRANSCARE00004259); LOI for Transcare Transit dated July 10, 2015 (PP-TRBK0012428-37); E-mail from Mr. Weinberger to Mr. Bonilla and Mr. Leland dated April 7, 2015 (TRANSCARE00198138); E-mail from Mr. Weinberger to Mr. Leland dated February 20, 2015 (TRANSCARE00195974); E-mail chain containing an e-mail from Mr. Weinberger to Mr. Leland dated July 8, 2015 (PP-TRBK0033600 - 02); E-mail from Mr. Weinberger to Ms. Tilton dated February 10, 2015 (PP-TRBK0033684); E-mail from Mr. Weinberger to Ms. Tilton dated March 3, 2015 (PP-TRBK0090486 - 87); E-mail from Mr. Weinberger to Mr. Bonilla dated February 13, 2015 (TRANSCARE00004191); E-mail from Mr. Hector to Messrs. Leland, Jones, and Greenberg dated October 11, 2015 (PP-TRBK0057441); E-mail from Mr. Leland to Mr. Greenberg dated December 16, 2015 (PP-TRBK0012426).

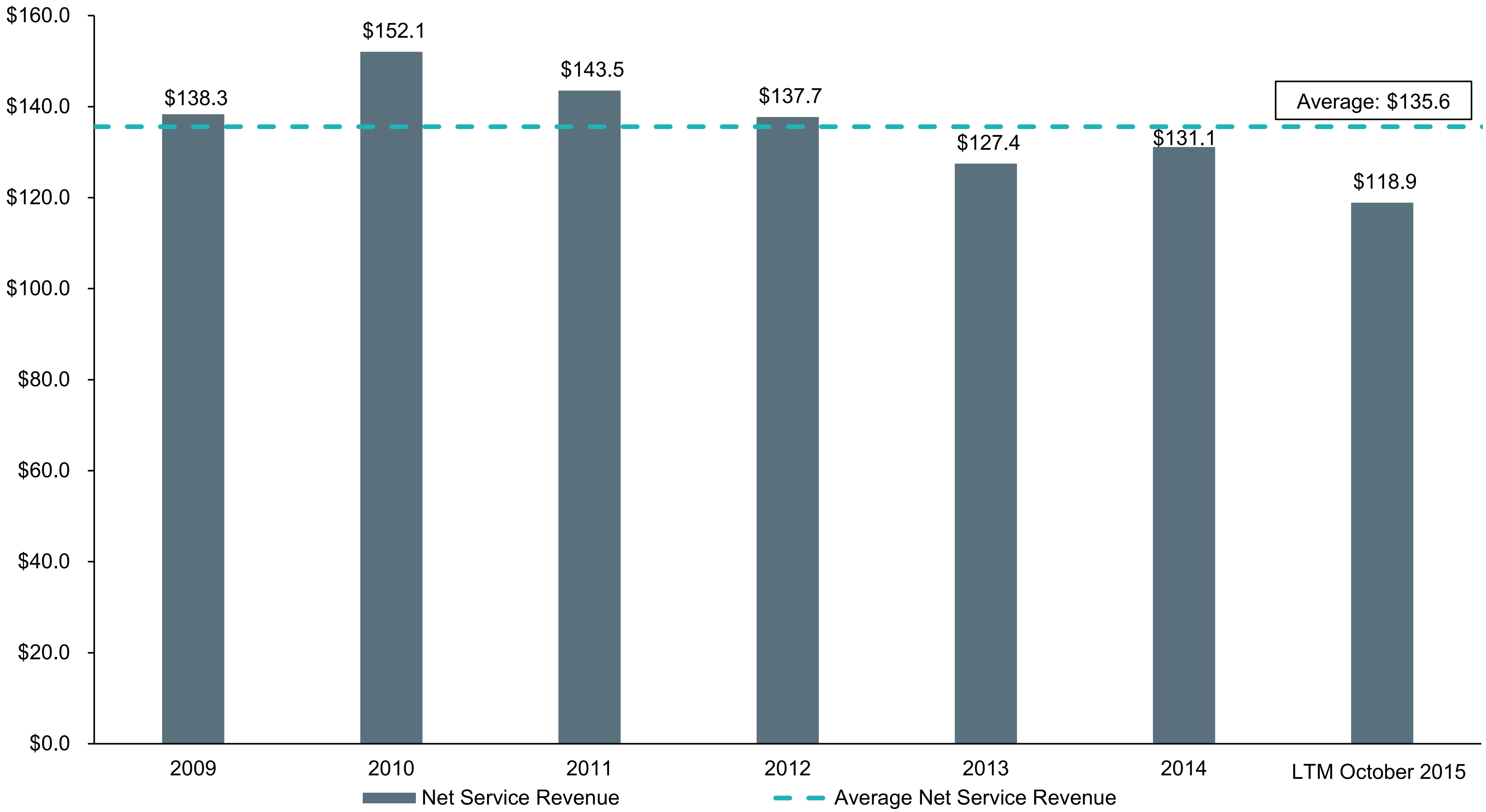
TransCare Corporation
Attempted Foreclosure & Buy-Out Transaction Details
February 15, 2015
In Millions

($ in millions)		TransCare		Pro Forma Transcendence / NewCo		
Source of Funded Capital		**$ Amount**	**Description**	**$ Amount**	**% of Total Capital**	**Description**
Payment Priority 1						
Ark II (Ms. Tilton's personal investment vehicle)	[A]	$2.1	Includes $1.9 funded $6.5 Term Loan plus $0.20 in vehicles owned by Ms. Tilton and leased to TransCare	$12.1	54.7%	Includes $2.1 rolled over capital from TransCare to NewCo, and $10.0 of new working capital funding
Payment Priority 2						
AIP (Ms. Tilton's personal investment vehicle)	[B]	$2.9	Fully Funded Term Loan	$0.7	3.0%	Pro-rata portions of $10.0 credit bid equal to book value of NewCo assets excluding accounts receivable due to Wells Fargo
Zohar I	[C]	$3.5	Fully Funded Term Loan	$0.8	3.6%	
Zohar II	[D]	$5.0	Fully Funded Term Loans	$1.1	5.2%	
Zohar III	[E]	$24.6	Fully Funded Term Loans	$5.6	25.6%	
Credit Suisse	[F]	$3.5	Fully Funded Term Loan	$0.8	3.7%	
First Dominion	[G]	$4.0	Fully Funded Term Loan	$0.9	4.2%	
Subtotal	**[H]**	**$43.6**		**$10.0**	**45.3%**	Total credit bid
Total	**[I] = [A] + [H]**	**$45.7**		**$22.1**	**100.0%**	

Notes:
Displayed figures are rounded to the first decimal place.
[A], [B]: At all times relevant to my analysis, ARK II CLO 2001-1 Limited ("Ark II") and Ark Investment Partners II LLP ("AIP") constituted Ms. Tilton's personal investment vehicles. The Ark II $10.0 million in funding committed to NewCo included the accounts receivable due to Wells Fargo.
[C], [D], [E]: At all times relevant to my analysis, Ms. Tilton was the Zohar funds' sole equity owner and collateral manager.
[F], [G]: Outside lenders that rolled over their facilities in conjunction with TransCare's 2004 Chapter 11 bankruptcy emergence.
[H]: Priority 2 investors were to receive 23 cents on the dollar (equal to $10.0 million divided to $43.6 million) through the credit bid for TransCare loans in the foreclosure.
Sources: Tilton Deposition at pp. 19-21, 25-26, 52-54, 61-65, 97-142, Exhibit 106; PP-TRBK0019089 at tabs "Daily Extract" and "Sheet2 (2)".

EXHIBIT 5

TransCare Corporation
Historical Revenue
2009 - LTM October 2015
In Millions



Notes: Values are presented as stated in the most recent audited financial statement for which a given year's Statement of Operations was provided. 2014 value is unaudited. 2015 value includes the last twelve months ("LTM") ended October 31, 2015 and reflects the last available actual results. Displayed figures are rounded to the first decimal place.

Sources: Transcare Corporation and Subsidiaries Consolidated Financial Statements for the Years Ended December 31, 2009-2013 (TRANSCARE00062780-860); TransCare Monthly Financial Memorandum for November 2014 (AL-00400 at AL-00410), TransCare Monthly Financial Memorandum for December 2014 (PP-TRBK0028485 at PP-TRBK0028494), TransCare Monthly Financial Memorandum for October 2015 (PP-TRBK0004695 at PP-TRBK0004704).

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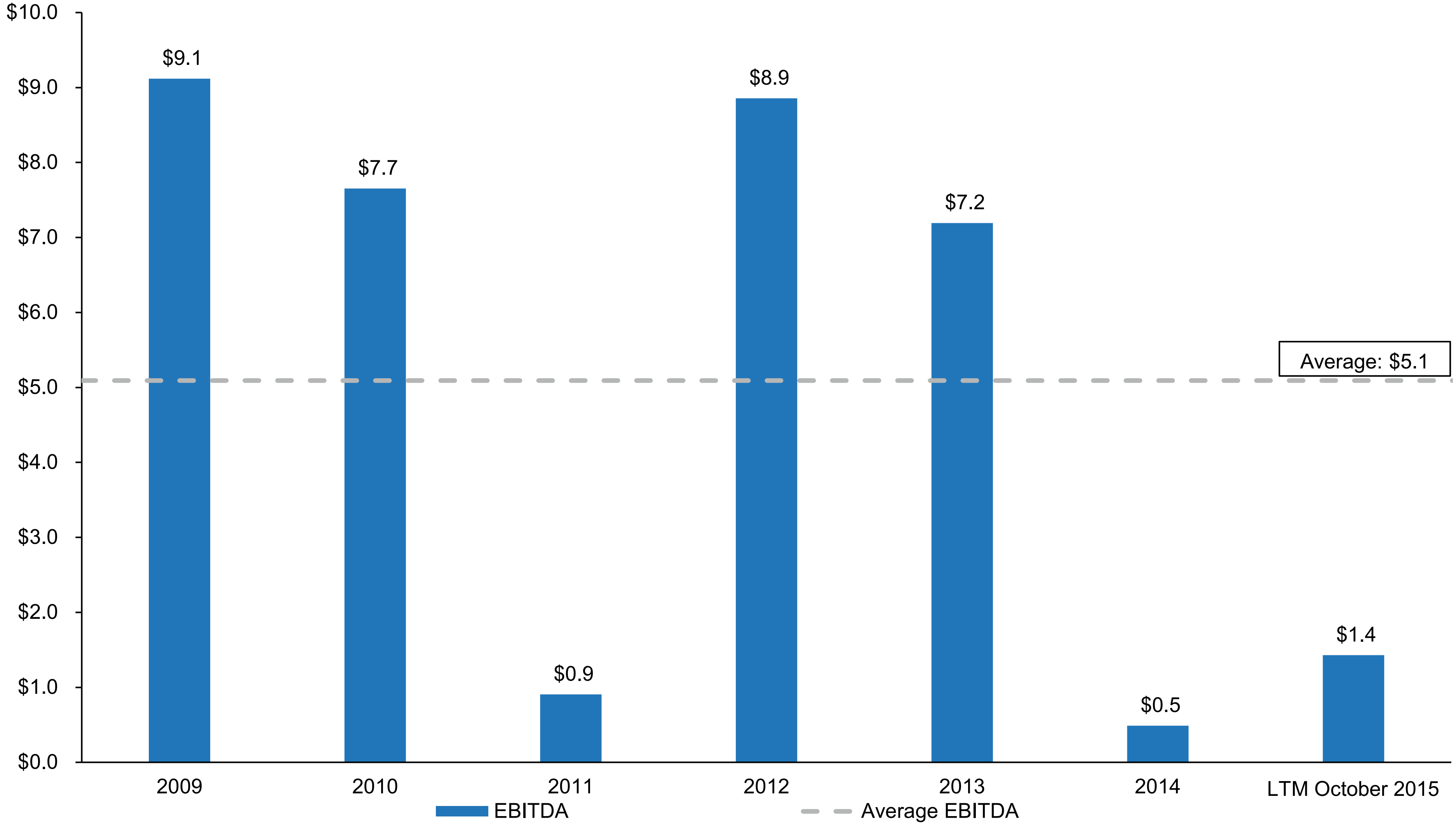
EXHIBIT 6

TransCare Corporation
Historical EBITDA
2009 - LTM October 2015
In Millions



Notes: Values are presented as stated in the most recent audited financial statement for which a given year's Statement of Operations was provided. 2014 value is unaudited. 2015 value includes the last twelve months ("LTM") ended October 31, 2015 and reflects the last available actual results. Displayed figures are rounded to the first decimal place.

Sources: Transcare Corporation and Subsidiaries Consolidated Financial Statements for the Years Ended December 31, 2009-2013 (TRANSCARE00062780-860); TransCare Monthly Financial Memorandum for November 2014 (AL-00400 at AL-00410), TransCare Monthly Financial Memorandum for December 2014 (PP-TRBK0028485 at PP-TRBK0028494), TransCare Monthly Financial Memorandum for October 2015 (PP-TRBK0004695 at PP-TRBK0004704).

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EXHIBIT 7

TransCare Corporation
LTM EBITDA
November 2014 - October 2015
In Millions

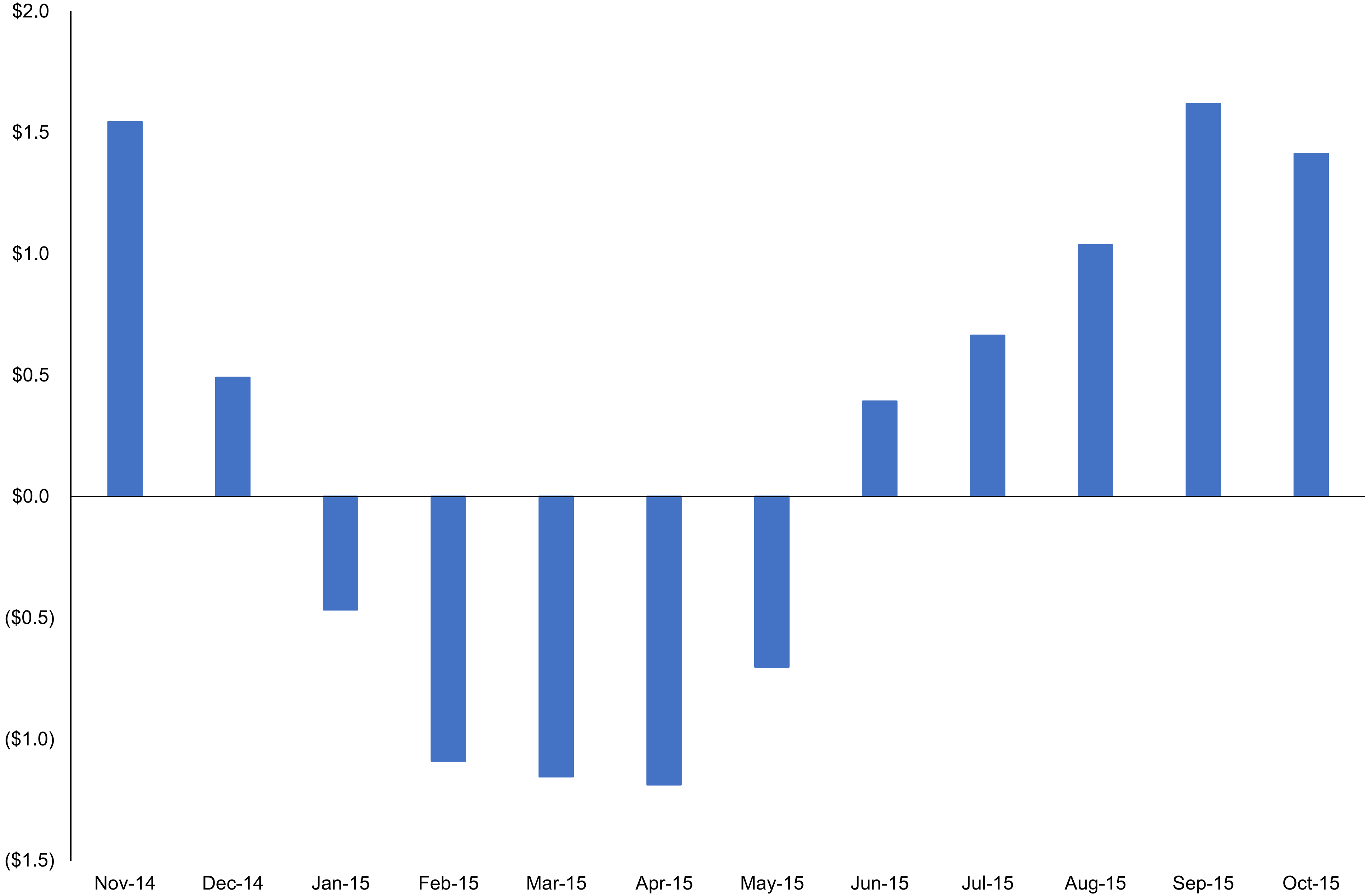

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EXHIBIT 7

Sources: TransCare Monthly Financial Memorandum for December 2013 (CM_TC2018_0004132 at CM_TC2018_0004141), TransCare Monthly Financial Memorandum for January 2014 (TRANSCARE00004571 at TRANSCARE00004580), TransCare Monthly Financial Memorandum for February 2014 (AL-00176 at AL-00186), TransCare Monthly Financial Memorandum for March 2014 (TRANSCARE00004609 at TRANSCARE00004618), TransCare Monthly Financial Memorandum for April 2014 (AL-00196 at AL-00206), TransCare Monthly Financial Memorandum for May 2014 (AL-00216 at AL-00226), TransCare Monthly Financial Memorandum for June 2014 (AL-00236 at AL-00246), TransCare Monthly Financial Memorandum for July 2014 (AL-00256 at AL-00266), TransCare Monthly Financial Memorandum for August 2014 (PP-TRBK0020769 at PP-TRBK0020778), TransCare Monthly Financial Memorandum for September 2014 (AL-00341 at AL-00351), TransCare Monthly Financial Memorandum for October 2014 (PP-TRBK0028798 at PP-TRBK0028807), TransCare Monthly Financial Memorandum for November 2014 (AL-00400 at AL-00410), TransCare Monthly Financial Memorandum for December 2014 (PP-TRBK0028485 at PP-TRBK0028494), TransCare Monthly Financial Memorandum for January 2015 (AL-00380 at AL-00390), TransCare Monthly Financial Memorandum for February 2015 (AL-00485 at AL-00495), TransCare Monthly Financial Memorandum for March 2015 (CM_TC2018_0013895 at CM_TC2018_0013904), TransCare Monthly Financial Memorandum for April 2015 (CM_TC2018_0013875 at CM_TC2018_0013884), TransCare Monthly Financial Memorandum for May 2015 (CM_TC2018_0013955 at CM_TC2018_0013964), TransCare Monthly Financial Memorandum for June 2015 (CM_TC2018_0013935 at CM_TC2018_0013944), TransCare Monthly Financial Memorandum for July 2015 (CM_TC2018_0013915 at CM_TC2018_0013924), TransCare Monthly Financial Memorandum for August 2015 (TRANSCARE00035020 at TRANSCARE00035030), TransCare Monthly Financial Memorandum for September 2015 (AL-00695 at AL-00705), TransCare Monthly Financial Memorandum for October 2015 (PP-TRBK0004695 at PP-TRBK0004704).

EXHIBIT 8

TransCare Corporation
Annual EBITDA Forecasts
2015 - 2020
In Millions

As Of Date	2015	2016	2017	2018	2019	2020	Source
01/07/16	$ 1.4	$ 6.9	$ 13.3	$ 17.2	$ 21.8	$ 26.1	January 7, 2016 Preliminary Plan
01/27/16		$ 5.0					January 27, 2016 Carl Marks Turnaround Plan
01/28/16		$ 5.2					January 28, 2016 Update to Carl Marks Turnaround Plan
02/24/16		$ 3.2					February 24, 2016 NewCo Model

Notes: Projections as of 02/24/16 are for the three business lines to be included in NewCo: Pennsylvania, Hudson Valley, and Paratransit. Displayed figures are rounded to the first decimal place.

EXHIBIT 9

TransCare Corporation
Annual Revenue Forecasts
2015 - 2020
In Millions

As Of Date	2015	2016	2017	2018	2019	2020	Source
01/07/16	$115.0	$117.0	$140.0	$169.0	$207.0	$223.0	January 7, 2016 Preliminary Plan
01/27/16		$100.5					January 27, 2016 Carl Marks Turnaround Plan
01/28/16		$102.3					January 28, 2016 Update to Carl Marks Turnaround Plan
02/24/16		$ 37.2					February 24, 2016 NewCo Model

Notes: Projections as of 02/24/16 are for the three business lines to be included in NewCo: Pennsylvania, Hudson Valley, and Paratransit. Displayed figures are rounded to the first decimal place.

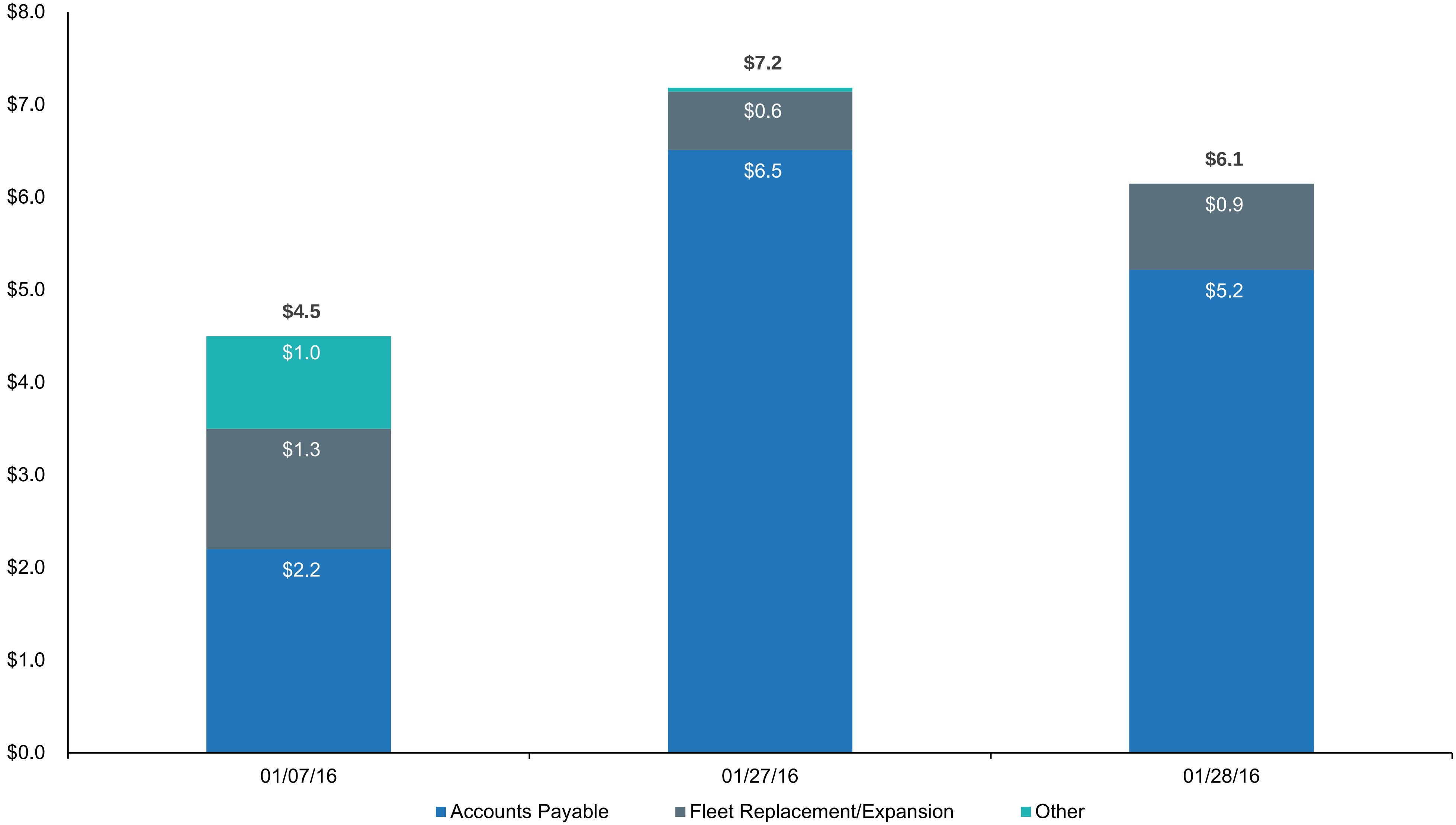
EXHIBIT 10

TransCare Corporation
Summary of Projections by Viewing Parties

As Of Date	Patriarch	Carl Marks	Lockton	Source
01/07/16	YES	YES		January 7, 2016 Preliminary Plan
01/27/16	YES	YES		January 27, 2016 Carl Marks Turnaround Plan
01/28/16	YES			January 28, 2016 Update to Carl Marks Turnaround Plan
02/24/16	YES		YES	February 24, 2016 NewCo Model

EXHIBIT 11

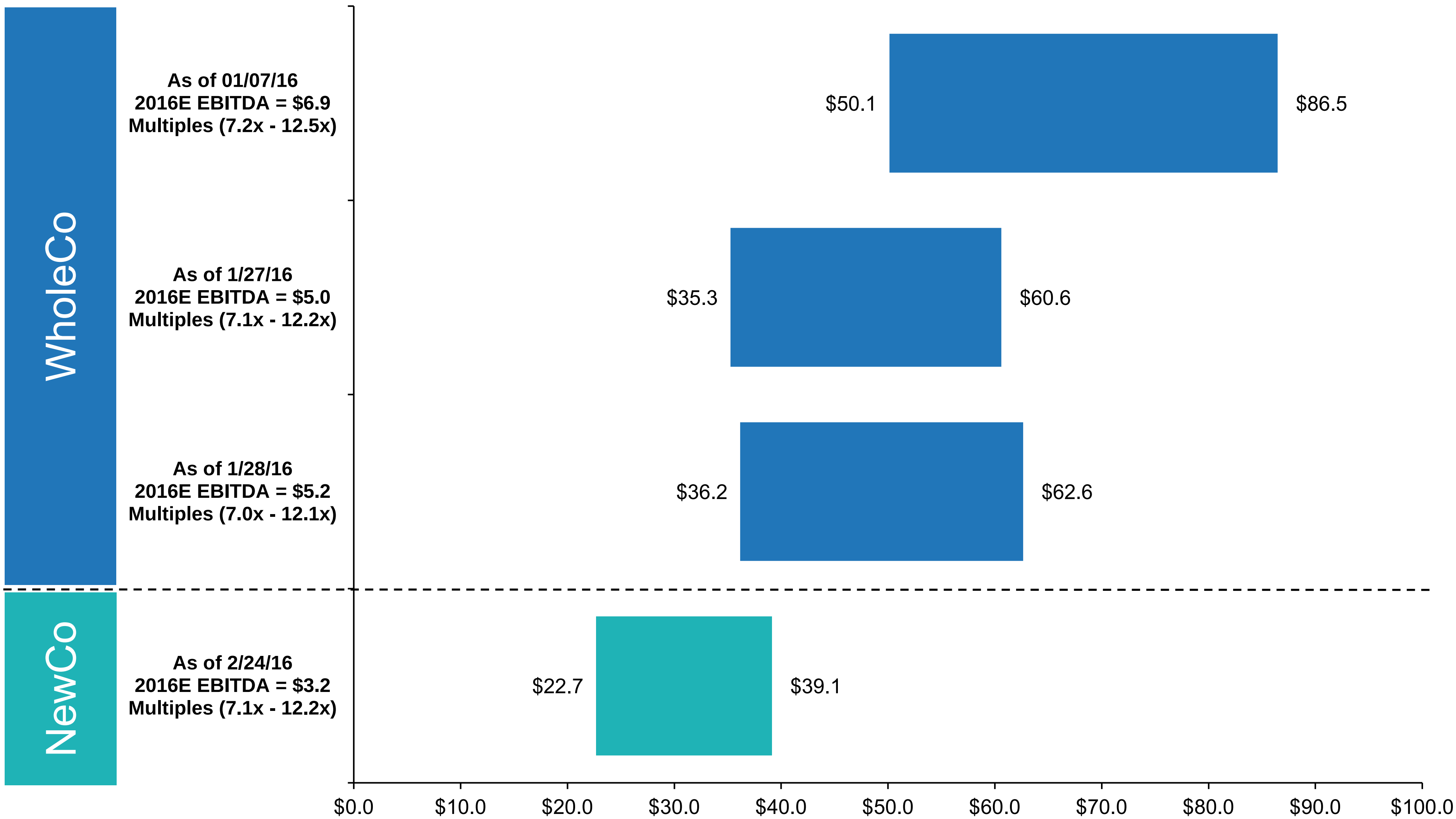
TransCare Corporation
Summary of Capital Requested by Intended Use
In Millions



Notes: Amounts shown pertain to achieving projected 2016 year-end EBITDA. Intended use categories are shown by most to least critical from bottom to top, based on representations made in the plans and models. Accounts Payable includes payroll, payroll taxes, insurance, rent, and other. These figures do not include interest deferment. The 02/24/16 NewCo Model doesn't identify capital requests associated with achieving projected 2016 year-end EBITDA. Displayed figures are rounded to the first decimal place.
Sources: January 7, 2016 Preliminary Plan (CM_TC2018_0003369 at CM_TC2018_0003370-71); January 27, 2016 Carl Marks Turnaround Plan (CM_TC2018_002108 at CM_TC2018_002116); January 28, 2016 Update to Carl Marks Turnaround Plan (PP-TRBK0013274).

EXHIBIT 12a

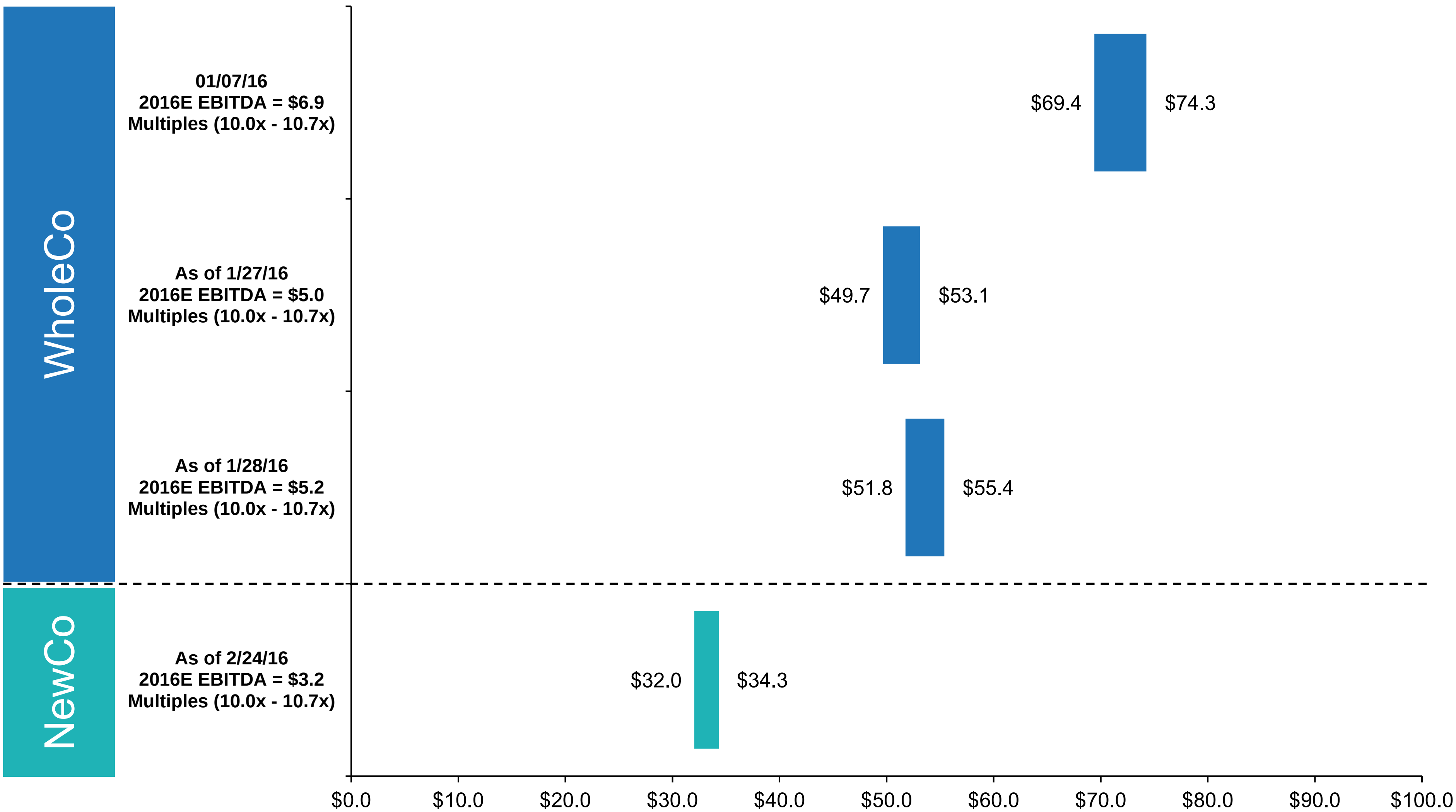
TransCare Corporation
Implied Total Enterprise Value
Comparable Company EV / Forward EBITDA Multiples Method
In Millions



Notes: In an analysis prepared for Ms. Tilton, Mr. Greenberg identified Envision Healthcare Corporation, Air Methods Corp., and PHI, Inc. as market comparables. Mr. Greenberg excluded PHI of the analysis because it “appear[ed] to be an outlier”. This analysis is based on TEV/EBITDA multiples for Envision Healthcare Corporation and Air Methods Corporation as of each valuation date.
Sources: S&P Capital IQ, January 7, 2016 Preliminary Plan; January 27, 2016 Carl Marks Turnaround; January 28, 2016 Update to Carl Marks Turnaround; February 24, 2016 NewCo Model; PP-TRBK0041414.

EXHIBIT 12b

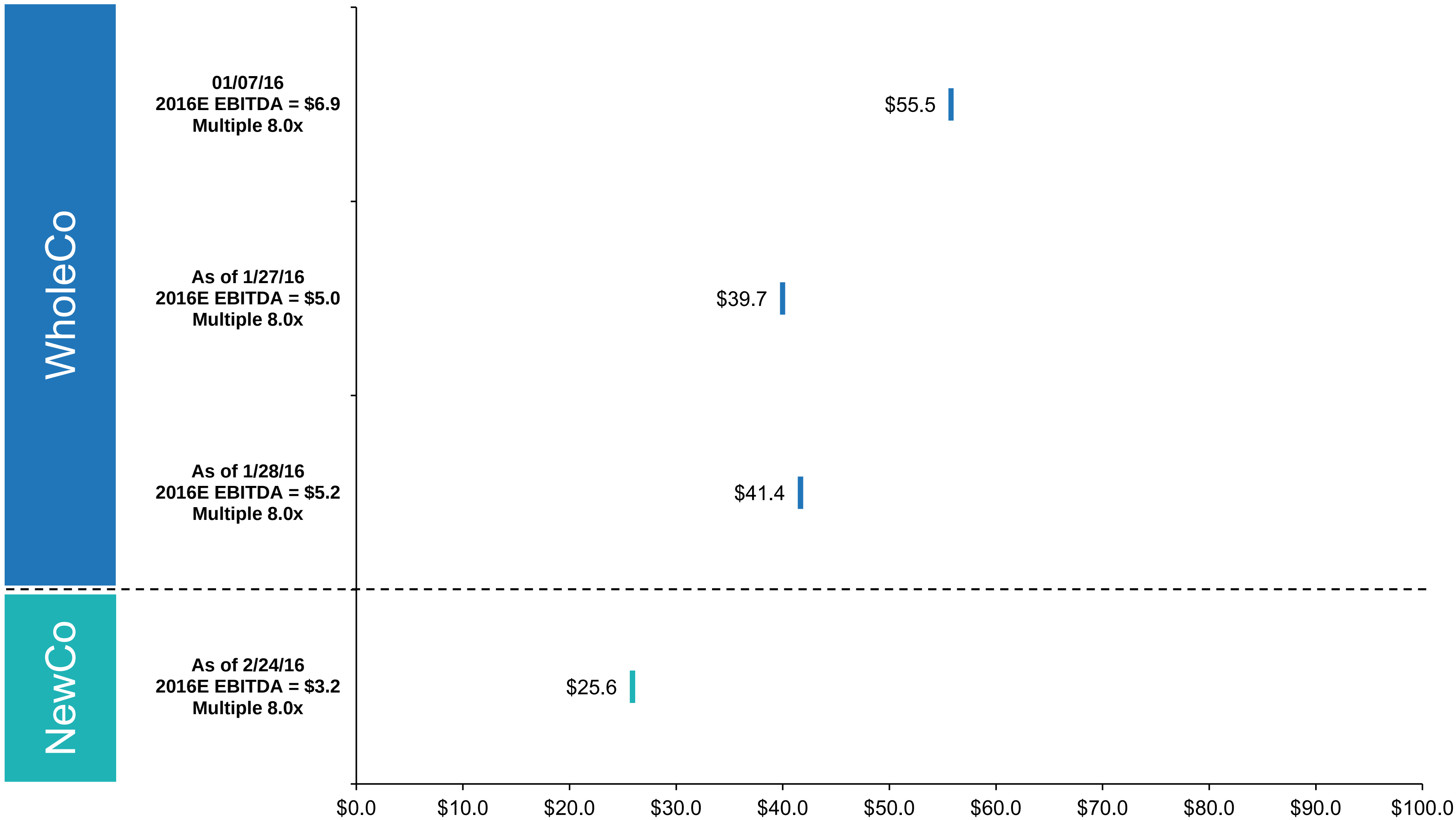
TransCare Corporation
Implied Total Enterprise Value
Precedent Transaction EV / EBITDA Multiples Method
In Millions



Notes: In an analysis prepared for Ms. Tilton, Mr. Greenberg identified two transaction comparables with available multiples: 1) July 2015 Envision Healthcare Corporation's acquisition of Rural/Metro Corporation, and 2) KKR & Co., Inc.'s acquisition of Air Medical Group Holdings. This analysis is based on TEV / LTM EBITDA multiples for the targets in the two acquisitions as identified by Mr. Greenberg.
Sources: January 7, 2016 Preliminary Plan; January 27, 2016 Carl Marks Turnaround Plan; January 28, 2016 Update to Carl Marks Turnaround Plan; February 24, 2016 NewCo Model; PP-TRBK0041414.

EXHIBIT 12c

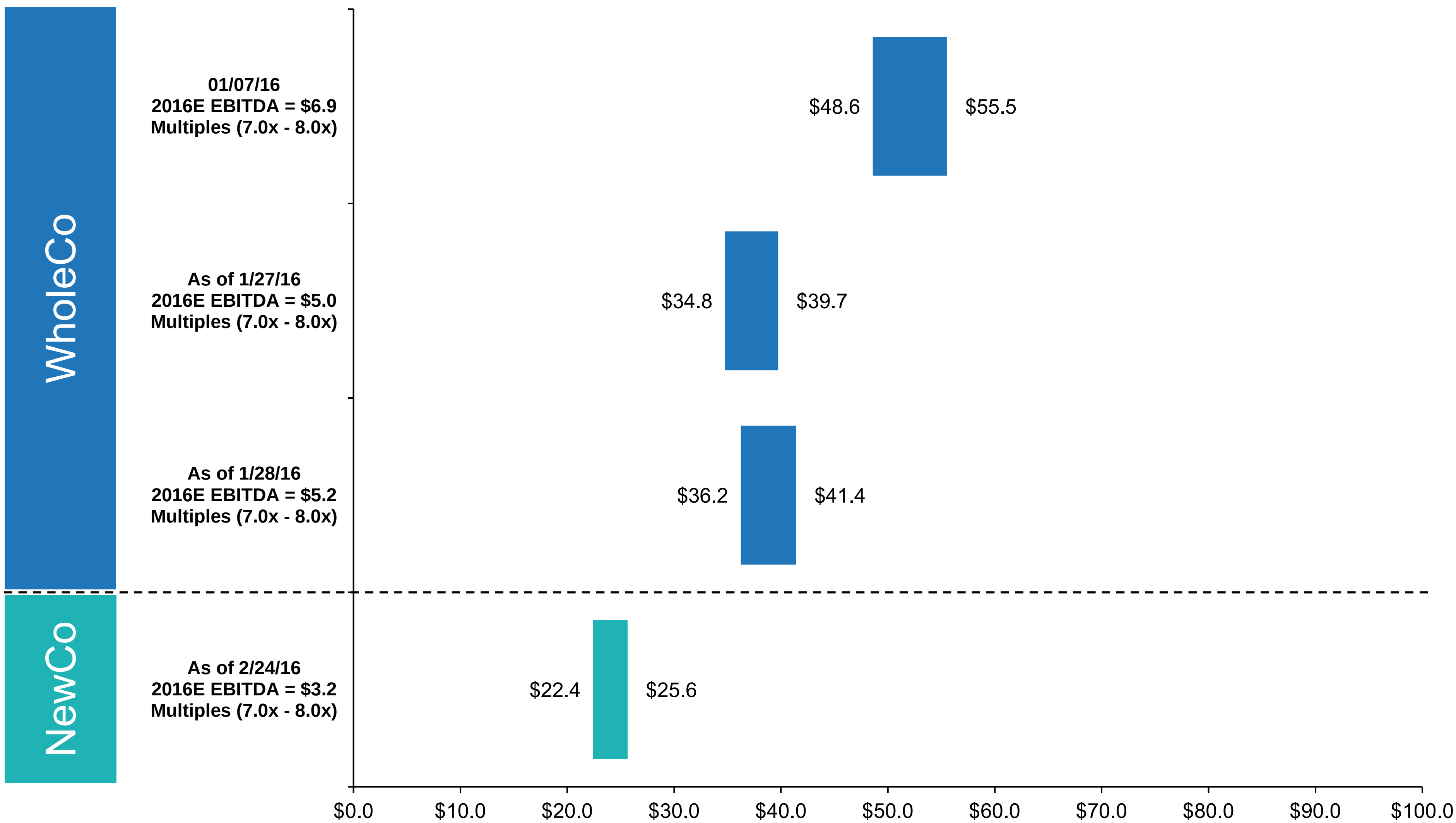
TransCare Corporation
Implied Total Enterprise Value
EV/EBITDA Multiple from Expressions of Interest
In Millions



Sources: Exhibit 3; January 7, 2016 Preliminary Plan; January 27, 2016 Carl Marks Turnaround Plan; January 28, 2016 Update to Carl Marks Turnaround Plan; February 24, 2016 NewCo Model.

EXHIBIT 12d

TransCare Corporation
Implied Total Enterprise Value
EV/EBITDA Industry Multiples Identified by Ms. Tilton
In Millions



Sources: January 7, 2016 Preliminary Plan (CM_TC2018_0003376); January 27, 2016 Carl Marks Turnaround Plan; January 28, 2016 Update to Carl Marks Turnaround Plan; February 24, 2016 NewCo Model; Tilton Deposition at p. 119.

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EXHIBIT 12e

TransCare Corporation
Summary of Implied Total Enterprise Value Ranges
In Millions

	WholeCo			NewCo
EV / EBITDA Multiples Methodology	**01/07/16**	**01/27/16**	**01/28/16**	**02/24/16**
Comparable Company Method	$50.1 - $86.5	$35.3 - $60.6	$36.2 - $62.6	$22.7 - $39.1
Precedent Transaction Method	$69.4 - $74.3	$49.7 - $53.1	$51.8 - $55.4	$32 - $34.3
Range Based on Comparable Company and Precedent Transaction Methods		**$35.3 - $86.5**		**$22.7 - $39.1**
Expressions of Interest	$55.5	$39.7	$41.4	$25.6
Industry Multiple Range identified by Ms. Tilton	$48.6 - $55.5	$34.8 - $39.7	$36.2 - $41.4	$22.4 - $25.6

Note: Displayed figures are rounded to the first decimal place.
Sources: Exhibits 12a - 12d.

EXHIBIT 13

TransCare Corporation
Summary of Liquidation Value
In Millions

		WholeCo	NewCo
Sale of Certificates of Need	[A.1]	$12.3	$1.9
Cost of Sale of Certificates of Need	[A.2]	$0.6	$0.0
Net Proceeds from Sale of Certificates of Need	**[A.3] = [A.1] - [A.2]**	**$11.7**	**$1.9**
Sale of Equipment and Physical Assets	[B.1]	$2.4	$0.8
Cost of Sale of Equipment and Physical Assets	[B.2]	$0.4	$0.0
Net Proceeds from Sale of Equipment and Physical Assets	**[B.3] = [B.1] - [B.2]**	**$2.0**	**$0.8**
Accounts Receivable Collected Post-Bankruptcy	[C.1]	$5.6	$3.1
Cost of Accounts Receivable Collection	[C.2]	$0.0	$0.0
Net Proceeds from Accounts Receivable Collection	**[C.3] = [C.1] - [C.2]**	**$5.6**	**$3.1**
Total Liquidation Value	**[D] = [A.3] + [B.3] + [C.3]**	**$19.2**	**$5.7**

Notes:

Displayed figures are rounded to the first decimal place.

[A.1]: For WholeCo, the entire amount received from the sale of the Certificates of Need is included. For NewCo, only the amount received from the sale of Certificate of Need No. 0667 is included.

[A.2]: For WholeCo, I identified the following expenses: A payment of $90 thousand associated with a "Break-Up Fee" to Maler Group, LLC, a payment for Trustee's expenses of $205 thousand, a payment of $259 thousand for reimbursement of expenses associated with the public auctions of the Certificates of Need, and a payment of $29 thousand associated with the expenses of the Patient Care Ombudsman. For NewCo, I identified $2.3 thousand in Trustee's expenses associated with selling Certificate of Need No. 0667, the only one attributable to the NewCo assets.

[B.1]: The NewCo value includes auctions held on May 6, 2016 in Poughkeepsie, NY and May 11, 2016 in Monroeville, PA.

[B.2]: I was not able to identify costs associated with the sale of equipment and physical assets directly attributable to NewCo assets. I have therefore conservatively assigned a value of zero.

[C.1]: I understand Wells Fargo received approximately an additional $2.6 million in accounts receivable collected by parties other than the Estate. Per counsel's instruction, I estimate this additional amount to be equal to the difference of the Wells Fargo loan balance as of February 24, 2016 ($13.4 million) and all of the funds received by Wells Fargo from the Trustee associated with the sale of TransCare's assets ($10.8 million). Therefore, the total amount of accounts receivable attributable to WholeCo consists of the sum of 1) the $2.6 million estimated as explained above, 2) the $2.43 million settlement amount received from the New York City Transit Authority and its affiliate the Metropolitan Transportation Authority, and 3) the $595 thousand settlement with the Bronx-Lebanon Hospital Center and the St. Barnabas Hospital. I assume a 19.8% allocation for the Hudson Valley and Pittsburgh operations of TransCare out of the total amount of accounts receivable (excluding the MTA operations) based on the accounts receivables balances for NewCo and OldCo as of February 23, 2016.

[C.2]: I conservatively do not include any costs associated with collecting the accounts receivable.

Sources:
Affirmation to Confirm the Results of the Sale of the Debtors' Ambulance Service Certificates Issued by the New York State Department of Health entered on July 1, 2016 before the U.S. Bankruptcy Court of the Southern District of New York (Chapter 7 Case No. 16-10407 (SMB)); Auctioneer's Report of Sale for the Auction Sales Conducted on April 20, May 4, May 6, May 11, and May 12, 2016 entered on August 23, 2016 submitted before the U.S. Bankruptcy Court of the Southern District of New York (Chapter 7 Case No. 16-10407 (SMB)); Auctioneer's Report of Sale for the Auction Sale Conducted on June 21, 2016 entered on August 23, 2016 submitted before the U.S. Bankruptcy Court of the Southern District of New York (Chapter 7 Case No. 16-10407 (SMB)); Monthly Operating Statement for the Period Ended September 30, 2016 entered on October 18, 2016 submitted before the U.S. Bankruptcy Court of the Southern District of New York (Chapter 7 Case No. 16-10407 (SMB)); Monthly Operating Statement for the Period Ended November 30, 2016 entered on January 18, 2017 submitted before the U.S. Bankruptcy Court of the Southern District of New York (Chapter 7 Case No. 16-10407 (SMB)); Monthly Operating Statement for the Period Ended December 31, 2016 entered on January 17, 2017 submitted before the U.S. Bankruptcy Court of the Southern District of New York (Chapter 7 Case No. 16-10407 (SMB)); Monthly Operating Statement for the Period Ended March 31, 2017 entered on May 16, 2017 submitted before the U.S. Bankruptcy Court of the Southern District of New York (Chapter 7 Case No. 16-10407 (SMB)); Monthly Operating Statement for the Period Ended February 29, 2016 entered on April 26, 2016 submitted before the U.S. Bankruptcy Court of the Southern District of New York (Chapter 7 Case No. 16-10407 (SMB)); Monthly Operating Statement for the Period Ended March 31, 2016 entered on April 26, 2016 submitted before the U.S. Bankruptcy Court of the Southern District of New York (Chapter 7 Case No. 16-10407 (SMB)); Monthly Operating Statement for the Period Ended April 30, 2016 entered on June 1, 2016 submitted before the U.S. Bankruptcy Court of the Southern District of New York (Chapter 7 Case No. 16-10407 (SMB)); Monthly Operating Statement for the Period Ended May 31, 2016 entered on July 7, 2016 submitted before the U.S. Bankruptcy Court of the Southern District of New York (Chapter 7 Case No. 16-10407 (SMB)); Monthly Operating Statement for the Period Ended June 30, 2016 entered on August 19, 2016 submitted before the U.S. Bankruptcy Court of the Southern District of New York (Chapter 7 Case No. 16-10407 (SMB)); Monthly Operating Statement for the Period Ended July 31, 2016 entered on August 19, 2016 submitted before the U.S. Bankruptcy Court of the Southern District of New York (Chapter 7 Case No. 16-10407 (SMB)); Monthly Operating Statement for the Period Ended August 31, 2016 entered on September 20, 2016 submitted before the U.S. Bankruptcy Court of the Southern District of New York (Chapter 7 Case No. 16-10407 (SMB)); Monthly Operating Statement for the Period Ended October 31, 2016 entered on November 15, 2016 submitted before the U.S. Bankruptcy Court of the Southern District of New York (Chapter 7 Case No. 16-10407 (SMB)); Monthly Operating Statement for the Period Ended January 31, 2017 entered on February 23, 2017 submitted before the U.S. Bankruptcy Court of the Southern District of New York (Chapter 7 Case No. 16-10407 (SMB)); Monthly Operating Statement for the Period Ended February 28, 2017 entered on March 16, 2017 submitted before the U.S. Bankruptcy Court of the Southern District of New York (Chapter 7 Case No. 16-10407 (SMB)); Monthly Operating Statement for the Period Ended April 30, 2017 entered on May 16, 2017 submitted before the U.S. Bankruptcy Court of the Southern District of New York (Chapter 7 Case No. 16-10407 (SMB)); Schedule 1 of Order Authorizing the Chapter 7 Trustee to Allocate the Expenses of the Public Auctions Between the Debtors' Estates and Reimburse the TransCare Corporation Estate and for Related Relief entered on April 5, 2017 submitted before the U.S. Bankruptcy Court of the Southern District of New York (Chapter 7 Case No. 16-10407 (SMB)); Schedule 2 of Order Authorizing the Chapter 7 Trustee to Allocate the Expenses of the Public Auctions Between the Debtors' Estates and Reimburse the TransCare Corporation Estate and for Related Relief entered on April 5, 2017 submitted before the U.S. Bankruptcy Court of the Southern District of New York (Chapter 7 Case No. 16-10407 (SMB)); Exhibit C of Summary Sheet for First Interim Application of Lamonica Herbst & Maniscalco, LLP, Counsel to Salvatore Lamonica, As Chapter 7 Trustee, for Allowance of Interim Compensation and Reimbursement of Expenses entered on February 7, 2017 submitted before the U.S. Bankruptcy Court of the Southern District of New York (Chapter 7 Case No. 16-10407 (SMB)); Order Authorizing and Approving the Sale of Ambulance Service Certificate No. 0667 to Maler Group LLC entered on July 7, 2016 submitted before the U.S. Bankruptcy Court of the Southern District of New York (Chapter 7 Case No. 16-10407 (SMB)); First Interim Fee Application of Lucy L. Thomson for Allowance of Compensation for Services Rendered as Patient Care Ombudsman entered on February 7, 2017 submitted before the U.S. Bankruptcy Court of the Southern District of New York (Chapter 7 Case No. 16-10407 (SMB)); Notice of Hearing on the Motion of Chapter 7 Trustee Seeking Entry of an Order, Pursuant to Federal Rule of Bankruptcy Procedure 9019(a), Approving the Mutual Release and Settlement Agreement By and Between the Chapter 7 Trustee, On Behalf of the Debtors' Estates, Wells Fargo Bank, N.A., and Montefiore Medical Center, Montefiore Mount Vernon Hospital and Montefiore New Rochelle Hospital entered on December 6, 2016 submitted before the U.S. Bankruptcy Court of the Southern District of New York (Chapter 7 Case No. 16-10407 (SMB)); CM_TC2018_0005038; CM_TC2018_0005039; PP-TRBK0078085; PP-TRBK0044399; PP-TRBK0004573; PP-TRBK0004574; WF00001541.

TransCare Corporation
Difference between Operating Value and Liquidation Value
In Millions

		WholeCo		NewCo	
		Min	**Max**	**Min**	**Max**
Operating Value	[A]	$35.3	$86.5	$22.7	$39.1
Liquidation Value	[B]	$19.2	$19.2	$5.7	$5.7
Difference	**[C] = [A] - [B]**	**$16.1**	**$67.3**	**$17.0**	**$33.4**

Note: Displayed figures are rounded to the first decimal place.

Sources:

[A]: Exhibit 12.

[B]: Exhibit 13.

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EXHIBIT 2

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

In re TRANSCARE CORPORATION, et al., Debtors.	Chapter 7 Case No. 16-10407 (SMB) (Jointly Administered)
SALVATORE LAMONICA, as Chapter 7 Trustee for the Estates of TransCare Corporation, et al., Plaintiff, v. LYNN TILTON, et al., Defendants.	Adv. Proc. No. 18-01021

DEPOSITION OF JONATHAN ARNOLD

New York, New York

Monday, March 11, 2019

Reported by: Tab Prewett, RPR, CSR, CLNR

JONATHAN ARNOLD

Were you asked -- well, let's actually look at your report at page two. Paragraph four, it says:

"I have been asked by counsel for Salvatore Lamonica."

And then it goes on to describe what you were asked to do.

A Yes.

Q Is it your testimony that you considered the possibility of opining on value at other points in time, but didn't have the data necessary to do so?

MR. SAMET: Objection.

A No.

Q Okay. Is it correct that -- there is no judgment in this question. But is it correct that the four dates that you used were the four dates that were selected for you by counsel?

MR. SAMET: Objection.

A The four dates I used are the four dates that were identified to me by counsel as being relevant. I did, however, inquire and look into whether there were any additional forward

JONATHAN ARNOLD

Q Right. That wasn't -- I understand, but that wasn't exactly my question. Let me focus on this.

You testified a moment ago:

"I did, however, inquire and look into whether there were any additional forward projections that occurred during January and February. That should be part of the set that I analyzed."

Do you recall that testimony?

A Yes.

Q And so what I'm asking you is, is your -- your inquiries to counsel about additional forward projections were limited in time to January and February of 2016?

A Yes.

Q Was there a reason or reasons why your inquiry about other forward-looking projections was limited to those two months?

MR. SAMET: Objection to the form.

A Those -- that was the time period that counsel asked me to focus on.

Q And you -- do you have an understanding as to why counsel asked you to

JONATHAN ARNOLD

dates were identified to me by counsel to analyze and express an opinion as to the value or range of values that are supported by the projections in the -- each of those four documents.

Q And do you have any understanding -- you may not. But do you have an understanding as to why those four dates were identified to you by counsel?

MR. SAMET: Objection.

A Yes.

Q And what is that understanding?

MR. SAMET: Objection.

A My understanding is that the projections that were issued on these four dates represent the final conclusion as to the -- on the part of the authors of those four projections as to the future performance of TransCare, combined with the fact that the authors themselves were senior people within the TransCare, let's call it, ecosystem.

They're not all TransCare employees, of course. Some of them are up the ladder at firms above it or, alternatively, an outside advisor that was approved of and

JONATHAN ARNOLD

supported by TransCare's bankers.

So these analyses themselves, I think, are believed by counsel to have sufficient reliability to form -- to inform the process.

Q I understand what you just said. I just want to draw a distinction between your views and what was communicated to you by counsel.

Do you -- do you have any independent opinion about the relevance or not of the four dates to any of the issues in this lawsuit?

MR. SAMET: Objection to form.

A Would you repeat the question, please.

MR. MERVIS: Can you read it back?

(Reporter read back pending question.)

A Yes.

Q And what opinion or opinions do you have?

MR. SAMET: Objection.

A My view is that the specific dates are not particularly relevant in the sense that,

JONATHAN ARNOLD

the January 7th date, the model that created those projections has 2015 financial data embedded in it?

A It reports numbers for 2015, and then it forecasts financial data for 2016 and onward.

Q In connection with the January 7th projections, did you form an opinion as to their degree of reliability?

MR. SAMET: Objection to the form.

A Yes.

Q Tell me what you did to form that -- well, first of all, what opinion did you form?

A I formed the opinion that using the data in the January 7th projections is a reasonable starting point for inferring value as of that date.

Q And what did you -- what specific work did you do to come to that opinion?

MR. SAMET: Objection to the form.

A I inquired as to the role and knowledge of the authors of it, and also whether it was circulated outside of the Tilton family of

JONATHAN ARNOLD

companies.

Q Anything else?

A Not that I recall as I sit here, no.

Q You did review historical financial information in connection with your work on this case, correct?

A I have, yes.

Q Did you consider any of that historical financial information in forming the view about the reliability of the January 7, 2016 projections?

MR. SAMET: Objection.

A I considered whether there's a connection between the two, yes.

Q And what did you conclude in that regard?

A I concluded that the January 7, 2016 projection is evaluating the likely future prospects for TransCare under a different regime, namely resetting the priorities, rationalizing the business, et cetera. So it is a -- I think it was expected -- my read is that it was expected to be a different business, not just

JONATHAN ARNOLD

A Yes.

Q If you go to the spreadsheet that's I think the last attachment in that exhibit, you will see there's a spreadsheet that has little page numbers in the bottom right-hand corner?

A Yes.

Q If you could go to page 36. And you have -- you had this page available to you, correct?

A Yes.

Q And if you look at the top column and you go to November and December, that's 2015, right?

A Yes, it is.

Q And it shows EBITDA declining to 472, negative 472 in November, and negative 552 in December?

A Yes.

Q And it also shows EBITDA margins declining during those same two months, yes?

A Yes, it does.

Q Okay. Let's go back to the E-Mail portion of Exhibit D.

The $6.9 million projected EBITDA,

JONATHAN ARNOLD

that -- the model incorporates a number of assumptions, right?

A It does.

Q And if you go -- actually, I misdirected you. If you go to what I think is the first spreadsheet -- actually, it's the same one we were looking at with the page numbers. And if you go to page four, which is -- has a heading "Major Assumptions 2016."

A Yes.

Q And this is something that you reviewed in connection with your work on this case, the physical page?

A Yeah. I read the document, so I'm sure I read it at some point along the way.

Q And you understand what's identified here to be at least some of the assumptions that are built into the model that -- that spit out the $6.9 million projected EBITDA for 2016?

A That's my interpretation, yes.

Q Let's look at some of the assumptions. You see the first bullet point refers to the renewal of a credit agreement with

JONATHAN ARNOLD

Wells Fargo?

A Yes.

Q And did you -- what, if anything, do you know about the state of efforts to renew that agreement as of January 7th of 2016?

A I'm not sure I can answer that question as of January 7th. But my general understanding is that there were discussions between Wells Fargo and TransCare during that month, January 2016.

Q Okay. And did you do any investigation as to how likely folks on the TransCare side of the relationship felt it was that there would be a renewal at that time?

MR. SAMET: Objection to form.

A I don't recall seeing documents that characterized their view.

Q Okay. If that -- if there had not been success in renewing the Wells Fargo credit agreement, do you know what dollar impact that would have on the EBITDA projections generated by the January 7th model?

MR. SAMET: Objection.

A I have not run those numbers, no.

JONATHAN ARNOLD

Q Then I guess -- well, there are bullets and subbullets, so we'll go to the third bullet, which says:

"New leases for a total of 118 vehicles are planned."

Do you see that?

A Yes.

Q And at the bottom, it -- actually, the last subbullet there, in all caps, in bold, it says:

"Model assumes company can obtain credit and need down" -- I think that's -- should say "down payment" -- "of 25 percent."

Do you see that?

A Yes.

Q What is your understanding, if any, about efforts to obtain some or all of those 118 vehicles?

MR. SAMET: Objection to the.

A I don't know what efforts were taken.

Q And do you have an understanding as to how creditworthy TransCare was in January of 2016?

JONATHAN ARNOLD

MR. SAMET: Objection to form.

A I don't know what its rating would be, or something specific like that, but it's clear that it was in financial distress.

Q And did you investigate how likely it was that TransCare would have been able to obtain the credit it needed to make -- to lease the 118 vehicles?

MR. SAMET: Objection to form.

A I did not, no.

Q Is the number of vehicles that the company would be able to lease, is that an important input into Mr. Greenberg's model?

A It is an input into his model. I think it's going to flow through to the revenue that's going to get generated.

Q Because the more ambulances they have, the more revenue you can generate as a general matter?

MR. SAMET: Objection to form.

A Well, obviously, there's a limit. If they've got 5,000 ambulances, they may not be able to use the last one for anything. But I think the idea is that the ambulances that are

JONATHAN ARNOLD

set forth in this budget, that they would be producing revenue coming right out of the gate.

Q The money to lease the new vehicles, where was that going to come from?

A Well, there were several possibilities that are laid out here. I don't have personal knowledge of where they were going to come from; but the modeling was either through some sort of letter of credit or, alternatively, from an extension of the Wells Fargo facility, assuming they were going to do it themselves as opposed to sell the company to a third party.

Q Okay. I'm -- so in other words -- let me make sure I understand.

You understand that the model assumes an infusion of working capital into TransCare, right?

MR. SAMET: Objection to form.

A It does have a cash flow requirement element to it -- a cash requirement element to it, yes.

Q And at least to generate the $6.9 million EBITDA number, how much working capital would -- does the model require be

JONATHAN ARNOLD

infused into the company?

MR. SAMET: Objection to form.

A This page of the spreadsheet identifies a peak working capital need of $7.8 million several months later.

Q Okay. All right. This page being the major assumptions?

A Page four of the document ending in Bates No. 3376, yes.

Q Okay. And so let me go back to my initial question.

What's your understanding of what the source of that capital would be under this model?

A I don't know that one particular source is identified, but one possibility is that it would come from Ms. Tilton, I suppose.

Q Okay. Did you investigate the extent to which Ms. Tilton had any legal obligation to infuse capital into the TransCare business at this time?

A I did not undertake such an investigation.

Q Fair to say that the infusion of --

JONATHAN ARNOLD

well, let's go to that bullet point, the second bullet point, "peak working capital needed," by 3/2016 is 7.8 million.

Fair to say that, if that capital could not be or was not obtained, then the model wouldn't -- then under this model, you wouldn't get $6.9 million in EBITDA for 2016?

A That's the way I would read this document, yes.

Q Did you -- in connection with your work in this case, did you do any investigation as to the availability of -- for lease of the -- of vehicles of the type that are indicated in the third big bullet on -- on the major assumptions page?

A No.

Q So to your understanding, the model assumes that they would be available for lease?

A That's my interpretation of it, yes.

Q And if that turned out not to be the case, that would have a negative impact in terms of the positive EBITDA that the model would generate?

JONATHAN ARNOLD

A I haven't run the numbers, but I would expect that it would have an adverse effect on the EBITDA.

Q If you could turn to the first page of the spreadsheet, or page one of the spreadsheet to Exhibit D.

A Yes.

Q This spreadsheet shows, actually, multiple scenarios, right?

A Yes.

Q And you, in your report, you relied on -- you used only one of them, right, which was scenario 1A?

A Yes.

Q Fair to say that, under each of the other scenarios, there's either no positive EBITDA or negative EBITDA for 2016?

A No. Scenario 1B produces the same EBITDA forecast as 1A.

Q Right.

A But the other scenarios, 2, 3, 4A and 4B, result in negative EBITDA for 2016.

Q Got it.

The difference between 1A and 1B is

JONATHAN ARNOLD

that under 1A, 1A involves leasing of vehicles with 25 percent down and 1B involves the purchase of vehicles outright?

A Yes.

Q And if you look at scenarios 4A and 4B, those involve -- those both involve the acquisition of 70 vehicles, right?

A I think that's the way to read it.

Q Right. 20 new and -- it's 20 plus 50, right?

A Yeah. It reads 20 new 911 vehicles, which is one type, and then AM 50 with no characterization. I think what you're doing is inferring that those 50 is the other type of vehicle, the vans and transport service vehicles, which I believe is an appropriate interpretation.

Q And under both of those scenarios, the company is losing -- for 2016, losing more than 8.2 million in EBITDA -- or negative EBITDA, more than 8.2 million?

A No, that's not the way to read it. In both of those scenarios, the company is producing negative 1.2 million in EBITDA, which translates to a negative variance of 8.2 million

JONATHAN ARNOLD

compared with scenarios 1A and 1B.

Q You're right. I apologize.

A I know you weren't trying to mislead me.

Q But I thank you for setting me straight.

So can you tell, at least from looking at this page, whether there's a correlation between -- in the model, between the number of vehicles acquired and profitability?

MR. SAMET: Objection to form.

A Well, yes. In this model, the great -- the higher vehicle acquisition count translates to higher EBITDA.

Q And did do you anything to investigate where the break-even point is as -- as the number of vehicles increased?

A I did not, no.

MR. SAMET: Objection.

(A break is taken.)

CONTINUED DIRECT EXAMINATION

BY MR. MERVIS:

Q Dr. Arnold, just sticking with that page with the different scenarios, did you

JONATHAN ARNOLD

investigate or -- withdrawn.

Do you have an understanding as to why these different scenarios were run?

A I do not see any explanation for why they were run in any of the documents.

Q And did you do anything to try to investigate that?

MR. SAMET: Objection to form.

A I did not.

Q Did you form any view as to the likelihood of being able to achieve the results -- sorry.

Did you form any view as to the likelihood that TransCare could achieve any of the results in the different models?

MR. SAMET: Objection to form.

A I did not look at -- evaluate that question, no.

Q The modeling work that was done here, do you know what the purpose -- or sorry. Do you know why it was being done?

A I don't have personal knowledge as to why it was being done, but I have an understanding based on my read of the documents.

JONATHAN ARNOLD

Q Okay. What is that understanding?

A My understanding is that, in the discussions that TransCare had with Wells Fargo, Wells Fargo expressed the view that it was interested in seeing projections for TransCare's operations into the future and that it would -- it expressed a desire to have a third party that was going to report to the board, evaluate TransCare's prospects, and that that third party should also be available or offer some level of transparency to Wells Fargo.

Q The model that you applied -- well, the projections that you used in performing your implied valuations were the scenario one projections; is that right?

A Yes.

Q Okay. Did you distinguish between A and B, or were you indifferent to that?

A My read of the documents is that scenario 1A is the operative scenario. That's the one that results in the cash requirements that are set forth in the document. The modeling in the January 7th E-Mail is oriented around lease payments, not on 100 percent capital

JONATHAN ARNOLD

purchases of the additional vehicles. Therefore, I -- my view is that this preliminary plan is focused and presumes scenario 1A.

Q Okay. Was there a reason or were there reasons why you didn't do an implied value calculation for TransCare based on scenarios 2, 3, 4A or 4B?

MR. SAMET: Objection to form.

A Yes.

Q And what was the reason or what were the reasons?

A The reason is that I'm presuming that management is going to choose the path of the scenario that is most valuable, and their choice is between one path that produces positive EBITDA and three alternate paths that produce losses going forward, that it's self-evident that the first scenario dominates the others, and that is the one that would be chosen.

Q Did you consider, though, whether the return under scenario 1 was sufficient to warrant the capital infusion that that scenario required?

Did you think about that?

JONATHAN ARNOLD

So you -- in order -- in order for the source of the $7.8 million in capital that was required to execute on plan 1 -- to make a decision that it was worth making that investment, all of the assumptions that are baked into the model would have to go right; wouldn't they?

MR. SAMET: Objection to form.

A On average, it would have to go right. You could have some areas that exceed expectations and other areas that fall short of expectations. But taken as a whole, on net, you have to -- one would have to meet the overall EBITDA projection, sure.

Q And in your experience, wouldn't a prudent investor think about the likelihood of that happening before they invested the capital required?

A Yes.

Q Did you think about the likelihood of that happening in scenario 1?

MR. SAMET: Objection to form.

A I did, yes.

Q And what did you conclude?

JONATHAN ARNOLD

available under these various valuation approaches and using that to infer a value of TransCare on a going-forward basis.

(Mr. Maniscalco exited the proceedings.)

A It doesn't have to be that it's going to continue to be operated within the Lynn Tilton family of companies. It could be sold to a third party. But whoever the owner is going forward, I'm presuming it's going to end up in the hands of the person who is going to operate it in an economically efficient, i.e., profitable, fashion.

And the comparable company multipliers or recent sales of similar companies are the ways that one does that in cases like this.

Q Okay. Like I said, we'll come back to this.

All right. Let's go back to the E-Mail, Mr. Greenberg's E-Mail.

If you go to the second page of the -- this is Exhibit D to your deposition. But if you go to the second page, he has a "key

JONATHAN ARNOLD

assumptions" section.

Do you see that, sort of in the middle of the page?

A Page two of the E-Mail?

Q Yes, page two of the E-Mail.

A I'm looking at the wrong documents.

Q That's okay.

A Yes, I have the "key assumptions" paragraph in front of me.

Q Okay. I'm going to ask you a bunch of questions about this section, but why don't you -- actually, just take a moment to read it to yourself and refresh your recollection.

A Okay. I've taken a look at it.

Q You see that there's a bunch of sort of clear circled bullet points?

A Yes.

Q Okay. The second-to-the-last bullet point says:

"EBITDA improves from 1.4 million to 1.9 million based on the reasons outlined above."

Do you see that?

MR. SAMET: 6.9.

JONATHAN ARNOLD

Q Sorry.

"6.9 million based on the reasons outlined above.

Do you see that?

A Yes.

Q And the 1.4 million is a reference to TransCare's EBITDA for 2015?

A Yes.

Q And is it fair to say that the improvement to 6.9 million assumes that all of the bullets above that line actually happen? Right?

A Yes. But at the same -- or that to the extent there's a positive variance in one place, it's offset by a negative variance somewhere else.

Q Right.

A On average, it's --

Q There could be some variance, but overall, things need to go right; is that fair?

A Yes.

Q Now, in his -- in Mr. Greenberg's "key assumptions" section, how many new vehicles or replacement vehicles is he saying are

JONATHAN ARNOLD

required?

A Well, in one bullet point, he references 20 911 vehicles for New York City, and 20 nonemergency vehicles.

Q Right.

A There's another bullet that says "inject 20 new ambulances into the 911 business."

Q Um-hum.

A Those are the references that I see as I sit here.

Q You think it's a fair reading that he's talking about somewhere between 40 and 60 new vehicles?

MR. SAMET: Objection.

A Yes.

Q And that's different than the 118 that's identified in the spreadsheets; right?

A It is, yes.

Q And what, if anything, did you do to investigate that difference and why it existed?

MR. SAMET: Objection.

A I did not reconcile the two numbers with one another.

JONATHAN ARNOLD

Q Well, no doubt in your mind, though, is there, that in order -- that the model that gets you to the 6.9 million, that model assumes 118 new vehicles, yes?

MR. SAMET: Objection.

A I can't say definitively one way or the other.

Q Why not?

A I just haven't gone through the document to reconcile those particular elements of the calculation.

Q Let me make sure I understand what that means.

You had access to a live version of the model, right, of the Excel spreadsheet?

A Yes.

Q And you could have, if you were so inclined, attempted to determine whether, in fact, it did assume that there were 118 new vehicles projected?

A I don't know whether I could have or not. I just don't know.

Q Okay. But in any event, you didn't?

JONATHAN ARNOLD

A I didn't, yes.

Q And you didn't try to?

A I did not attempt to.

Q If you go down to the bottom of that first page -- sorry, the second page of Mr. Greenberg's E-Mail, he talks about a peak need of close to 4.5 million.

Do you see that?

A Yes.

Q And that's lower than the 7.8 million peak working capital needed identified in the 2016 major assumptions model page we looked at before, yes?

A Yes.

Q Do you know whether those two figures are apples-to-apples?

A You mean by 7.8 million versus 4.5 million?

Q Yes.

A It doesn't appear to be.

Q It does not appear to be?

A No.

Q Why do you say that?

A Because the numbers are different

JONATHAN ARNOLD

and they're both referencing the cash needs.

Q Right. And did you -- so -- and what, if anything, did you do to investigate the difference between what Mr. Greenberg says at the bottom of page two of his E-Mail and what it says about peak needs on the "major assumptions" page of the spreadsheet?

A I did not investigate the cause of the difference.

Q In assessing -- sorry.

In deciding that it was okay to use the $6.9 million 2016 projection to come up with an implied operating value for TransCare, was it important to you what the amount of new working capital was assumed to be in the model?

MR. SAMET: Objection.

A Well, within limits. Yes. I mean, you wouldn't want to spend $100 million in order to make 6.9 million in EBITDA going forward. But whether it's 4 million or 5 million or 6 million in a greater scheme of things is not going to change the conclusion that the company -- that the operating business of TransCare was valuable.

It had and could have been sold for

JONATHAN ARNOLD

EBITDA for 2016?

A It projects a somewhat lower EBITDA than the January 27th model.

Q Right.

A And, in particular, I believe it's $5.0 million.

Q And what -- did you form any opinion or opinions as to the reliability of that projection for 2016?

A Yes.

Q And what opinion or opinions did you form?

A My view is that, based on the fact that these projections were prepared by a third party with the -- I think, as I understand it, it was approved by Wells Fargo, or at least embraced by Wells Fargo -- that on that basis this is a reasonable set of numbers to use to infer a value for TransCare.

Q Let me just drill down a bit.

In other words, the $5 million projection, you found to be reasonable for those reasons that you just stated?

A Yes.

JONATHAN ARNOLD

Q Okay. Did you do anything else to test the reasonableness of the $5 million projection in the Carl Marks plan?

MR. SAMET: Objection to form.

A Well, I would say that related to what we -- what I just testified to is the fact that Wells Fargo was expressing interest in the results of this analysis, as well as interest in management collectively, going all the way up to Ms. Tilton's assessment and reaction to it.

So it was -- it was an analysis that was, based on those communications, respected and of interest to Wells Fargo. That was who was the major lender. So those are reasons to think that -- the fact that they cared about it in this way is another reason to believe that these were legitimate calculations.

Q Let's go back to the January 7th model.

Do you know whether Ms. Tilton ever formed a view as to the reasonableness of the $6.9 million EBITDA projection?

A I do not know.

Q Do you know whether anyone with

JONATHAN ARNOLD

authority at Wells Fargo formed a view as to the reasonableness of that projection?

A I do not.

Q Do you know whether Wells Fargo actually ever even sought January 7th projections or the model that was used to create them?

A I don't know one way or the other.

Q In sticking with the Exhibit E to your deposition, do you know whether Ms. Tilton ever formed a view as to the reasonableness of the $5 million projection in the Carl Marks plan?

A I do not know whether she did or not.

Q Do you know whether Wells Fargo ever formed a view as to the reasonableness of the projection in the Wells -- sorry, in the Carl Marks plan?

A I don't know whether they did or not.

Q Do you have an understanding of -- at a high level, of the fundamentals of the Carl Marks plan?

A I don't understand the question.

Q That's fair. It wasn't the best

JONATHAN ARNOLD

Q Let's take a look at the -- there's an E-Mail; and the attachment is, I think, a PowerPoint deck, in Exhibit E. Let's take a look at some of the pages in the deck. I don't -- well, we'll use Bates numbers because I don't think there are page numbers.

Let's go to the second page, which ends with 2111. It says "situation analysis."

A Yes.

Q So at the very top, I guess the first line says:

"TransCare is now operating at the absolute breaking point."

Do you see that?

A Yes.

Q And did you read that before you signed your expert report? Did you read that line?

A Yes.

Q Did you take away any understanding as to what the author meant by operating in the "absolute breaking point"?

A My understanding of what it means?

Q And what was that?

JONATHAN ARNOLD

A My understanding is that in the view of the author TransCare would not continue without changes for much longer.

Q Do you know whether that was the case with respect to either of the comparable companies that you used in your -- in calculating your operating -- your implied operating values?

A Yes.

Q It was the case, or it wasn't?

A Yes, I know whether it was the case. Sorry.

Q That's fair. And was it the case -- was it or was it not the case for either of them?

A It was not the case for those two.

Q So then, if you go down, there's a next -- I guess the next heading, "Strained and Broken Customer Relationships," and then it talks about a "void" in senior management. Do you see that?

A Yes.

Q And it talks about a "lack of credibility." Do you see that?

A Yes.

JONATHAN ARNOLD

Q And what was your understanding, if any, of Carl Marks' plans to fix those issues?

A I believe they had it in their head that one of the goals and objectives would be to stabilize and repair those issues.

Q No, I understand that. But do you know whether they had in mind any particular actions that should be taken to fix those issues?

A I don't recall them laying out specific steps, no.

Q Do you know whether, for example, Carl Marks had suggested to Ms. Tilton any interim or permanent CEO that could fill the position vacated by Mr. Leland?

A I don't recall that one way or the other.

Q Going down a little bit, there's another subbullet that says:

"Continuing cycle of worry."

And then there's a number of subbullets below that, the second of which says:

"Aging fleet, reliability, length of time, out of service, et cetera."

Do you see that?

JONATHAN ARNOLD

A Yes.

Q And what was the Carl Marks plan for addressing that issue of the aging fleet?

A It was to stabilize the fleet, repair it. There may have been a discussion about buying new vehicles. I don't -- oh, yeah, that's right; they also had as part of their action plan to rationalize some of the lines of businesses and, i.e., get rid of them, and also to add vehicles.

Q Okay. And under the Carl Marks plan, how many vehicles would be added?

A I don't know the number.

Q Is that something that you sought to investigate, how many vehicles Carl Marks planned to add?

A I may have known it at some point. I can look through the documents and see whether it is if you want me to. But that level of granularity was not something that I investigated and assessed and pressure tested. Rather, I'm using the numbers that are the outcome of their informed judgment.

Q Well, right. You were -- and just

JONATHAN ARNOLD

so we're clear, you are making an assumption that they had an informed judgment, "they" being Carl Marks?

MR. SAMET: Objection to form.

A I think perhaps you could say that. I mean, I don't have personal knowledge that they had an informed judgment. But they have a detailed deck here that describes their views; so it seems self-evident that they took a look at this and made their assessment; and they're in the business of doing this.

Q How long had they been retained by TransCare by the time this report came out?

A I believe it was on the order of two or three weeks.

Q Okay. Going to the next page of the exhibit, the one that ends in Bates 2112, there is a series of -- there's a heading on that page called "Strained and Broken Landlord Relationships"; and there's a bunch of different locations that are identified below that.

Do you see that?

A Yes.

Q What, if anything, did you know at

JONATHAN ARNOLD

the time you signed your report about Carl Marks' plan to repair those strained and broken landlord relationships?

A Look, I reviewed this document, but I didn't undertake an analysis beyond that.

Q So just so we're clear, so you saw that there were these landlord problems; those were identified, right?

A Yes.

Q You didn't -- you didn't investigate whether Carl Marks had a solution to the problems beyond whatever you read in this deck, fair?

MR. SAMET: Objection to form.

A That's correct.

Q Go to the page that's -- that's, I guess, the next two pages in. It ends in 2114.

A Yes.

Q The very first bullet point, this -- well, this refers to the limitations of the company's accounting systems and financial reporting. We talked about that earlier?

A Yes.

Q Okay. And during your work on --

JONATHAN ARNOLD

have been beyond the scope of what I was asked to do. I was asked to compute what the operating value of what the NewCo would be or what reasonable range would have occurred based on the numbers contained in this exhibit. It's up to others to make a conclusion as to its reliability, and the validity is a matter of law.

But I can say that -- the one additional piece I can add is that, as an economist, the fact that Lynn Tilton and her team attempted to execute on it, assuming that's true -- I don't have personal knowledge that she actually did. If one accepts that as true, that reveals to me, as an economist, that Ms. Tilton and her team saw this as an economically viable plan.

Q Right. I guess my question then is, plan for what? And that's the part that you're saying you didn't investigate?

MR. SAMET: Objection.

A Well, there was -- as I -- no. I know what the plan is. I just didn't look into why it was created, which I think is a different question.

JONATHAN ARNOLD

January 7, 2016 model and the January 27, 2016 model the same?

MR. SAMET: Objection.

A They are not the same.

Q Did you make any effort to determine the specific drivers that lead to the lower projections in the -- for example, in the January 27th and 28th models and compared to the January 7th model?

A I have not decomposed the change in EBITDA into changes in assumptions or inputs or expectations as I sit here, no.

Q So when you say in paragraph 73:

"This reduced outlook reflects delays in the board's actions concerning TransCare's urgent," in parens, "and overdue financial obligations and capital requirements to survive as a going concern," what is the basis for that statement?

A I think the sentence could have been worded a little bit more precisely. And I think it's fair to say that, if one accepts as true Mr. Bonilla's conclusion that TransCare's reduced earnings outlook was due to inaction by

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the board and to the -- and to the extent that continued inaction led to further reductions in the earnings outlook that is reflected in the January 27th and 28th projections -- because the projections are not the second best view of the world or the fifth best view of the world -- the projections -- when one does projections, you're asking:

What's the best we can do?

And there's an EBITDA number as of January 7th, and then there are EBITDA numbers as of January 27th and 28th. And they're worse.

Q Yes.

A So if you believe that the company was deteriorating and that delay was causing a reduction in EBITDA, you can see it in the sequence of EBITDA numbers that are coming out of the company.

Q Let's be clear.

The sentence that I just read to you, you apparently state that was the reason, that in other words, some -- some supposed inaction by Ms. Tilton is the reason why the projections in the January 27 and January 28

JONATHAN ARNOLD

case for -- well, withdrawn.

Did you consider attempting -- based on TransCare's historical financials, attempting to estimate the missing inputs yourself?

A No.

Q And why not?

A One reason is I think that -- that TransCare as it was anticipated to be in the future was going to be a decidedly different firm than it had been in the past.

So while in some cases, recent history is -- I use for a good predictor of the future, I think that's not the case here, especially given the significant changes that we discussed earlier, that people were modeling and believed were appropriate for the firm going forward.

And, secondly, doing a cash flow forecast is -- an intricate calculation with lots of very specific inputs that I think were beyond my ability to model in a way that would give me confidence.

Q Have you -- in any of your prior

JONATHAN ARNOLD

A You're talking about precedent transactions?

Q No. I guess this is the -- frankly, a part of your report that confused me.

What I'm -- am I right that there is a difference between doing a precedent transaction-based valuation and a comparable company-based valuation?

A Yes.

Q In the comparable company-based transaction, you're looking -- well, just give me at a high level what that methodology is.

A Well, I'm using the companies that Mr. Greenberg identified as comparable, in particular, Envision Healthcare Corporation and Air Methods Corp. Mr. Greenberg also mentioned a third one called -- company called PHI that he excludes because in his view it's an outlier.

So my comparable company analysis of enterprise value to the forward EBITDA multiple is based on the ratios for Envision Healthcare Corporation and Air Methods Corp. as of January 7th, 2016, January 27th, and January 28th, also 2016, and then as to NewCo,

JONATHAN ARNOLD

did you do to get comfortable that those were -- well, withdrawn. That's a bad question.

How did you go about selecting the comparable companies? How did you land on those two?

A Well, I did it by surveying the written record in this case to see which companies Ms. Tilton's senior people regarded as comparable to TransCare.

Q Okay. And did you do anything else that caused you to land on those two companies?

A No.

Q You've used the comparable company method in other -- in valuing other companies?

A Yes.

Q And how many times have you based your determination on which -- determination in terms of selecting the comparables based solely on the views of the subject that you're investigating about what their comparables are?

A Well, it's very common in my experience to use a company's view as to its competitors as a basis for preparing comparisons. And, for example, it's common, maybe even

JONATHAN ARNOLD

Q By a factor of what?

A I don't know that.

Q Did you look at the annual EBITDA of the two businesses for 2015 and compare them to TransCare?

A I don't recall doing that. But we are calculating ratios, so obviously the -- I guess it's pretty self-evident the EBITDA is going to be larger as well.

Q How about cap X budget -- or cap X expenditures for 2015? Did you look to compare capital expenditures for the two companies that you chose as comparables compared to TransCare?

A I don't recall having done so.

Q How about EBITDA margins? Did you make that comparison?

A Not to my recollection.

Q What did you do, if anything, to compare the risk profile of your two comparable companies to TransCare?

MR. SAMET: Objection to form.

You can answer.

A I did not undertake any analysis or evaluation of the relative riskiness across these

JONATHAN ARNOLD

companies. But the typical approach and one that I used here is having identified the most closely comparable companies to apply the ratios from the comps to the subject, because that process results in obtaining as much controller disparities in the riskiness as is possible using this method.

Q How do you know that Envision and Air Methods were the two most closely comparable companies to TransCare?

A I am relying on Lynn Tilton's and her executives' view that these are the most comparable companies.

Q You didn't independently make that?

MR. SAMET: Objection to form.

A I did not independently vet it. However, I did subsequently look at all publicly traded companies in the health care services NAICS grouping and made some additional calculations.

Q In 2015, were -- was Air Methods or Envision undercapitalized?

A Not to my knowledge.

Q Had either of them missed a payroll

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EXHIBIT 3

From:	melissa.provost@wellsfargo.com
To:	Glenn Leland
CC:	Mark Bonilla; Michael Greenberg
Sent:	10/14/2015 12:30:13 PM
Subject:	RE: Notice of Non-Renewal
Attachments:	TransCare Notice of Non-Renewal 10.14.15.pdf

Melissa Provost

Vice President/Senior Relationship Manager
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melissa.provost@wellsfargo.com

From: Provost, Melissa A.
Sent: Wednesday, October 14, 2015 12:30 PM
To: Glenn Leland (GlennL@transcare.com)
Cc: Mark Bonilla (markb@transcare.com); 'Michael Greenberg'
Subject: Notice of Non-Renewal

As we discussed last week, attached please find our Notice of Non-Renewal under TransCare's Loan Agreement with Wells Fargo Bank. An original will follow via Federal Express to yourself and Peter Ruffini at Patriarch as required.

Melissa Provost

Vice President/Senior Relationship Manager
Wells Fargo Capital Finance

Business Finance | One Boston Place, 18th Floor | Boston, MA 02108-4407
MAC J9214-180
Tel (617) 854-4336 | Mobile (518) 578-8604 | eFax (855) 477-5033

melissa.provost@wellsfargo.com

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WELLS FARGO BANK, NATIONAL ASSOCIATION
One Boston Place, 18th Floor
Boston, Massachusetts 02108

October 14, 2015

VIA FEDERAL EXPRESS AND CERTIFIED
MAIL, RETURN RECEIPT REQUESTED
TransCare Corporation
One Metrotech Center
Brooklyn, New York 11201
Attention: Mr. Glenn Leland

Re: Notice of Non-Renewal

Ladies and Gentlemen:

Wells Fargo Bank, National Association, successor by merger to Wachovia Bank, National Association ("Lender"), has made and may make loans and advances and provide other financial accommodations to TransCare Corporation, a Delaware corporation ("Parent" or "Administrative Borrower"), TransCare New York, Inc., a Delaware corporation ("TransCare NY"), TransCare Pennsylvania, Inc., a Delaware corporation ("TransCare PA"), TransCare Maryland, Inc., a Delaware corporation ("TransCare MD"), TransCare ML, Inc., a Delaware corporation ("TCML"), TC Hudson Valley Ambulance Corp., a Delaware corporation ("TC Hudson Valley"), TC Billing and Services Corp., a Delaware corporation ("TC Billing"), TC Ambulance Corporation, a Delaware corporation ("TC Corp"), TransCare Management Services, Inc., a Delaware corporation ("TC Management"), TCBA Ambulance, Inc., a Delaware corporation ("TCBA"), TransCare Westchester, Inc., a Delaware corporation ("TransCare Westchester"), TransCare Harford County, Inc., a Delaware corporation and ("TransCare Harford", and together with Parent, TransCare NY, TransCare PA, TransCare MD, TCML, TC Hudson Valley, TC Billing, TC Corp, TC Management, TCBA, and TransCare Westchester, each individually a "Borrower" and collectively, "Borrowers"), TC Ambulance Group, Inc., a Delaware corporation ("TC Group"), and TC Ambulance North, Inc., a Delaware corporation ("TC North" and together with TC Group, each individually a "Guarantor" and collectively, "Guarantors") pursuant to the Loan Agreement (as hereinafter defined), by and among Borrowers, Guarantors and Lender, as amended by Amendment No. 1 to Loan and Security Agreement, dated June 28, 2007, Amendment No. 2 to Loan and Security Agreement, dated October 24, 2007, Amendment No. 3 to Loan and Security Agreement, dated January 31, 2008, Amendment No. 4 to Loan and Security Agreement, dated August 13, 2008, Amendment No. 5 to Loan and Security Agreement, dated December 22, 2008, Amendment No. 6 to Loan and Security Agreement, dated September 18, 2009, Amendment No. 7 to Loan and Security Agreement, dated February 12, 2010, Amendment No. 8 to Loan and Security Agreement and Waiver, dated as of January 31, 2013, Amendment No. 9 to Loan and Security Agreement and Waiver, dated as of May 31, 2013; Amendment No. 10 to Loan and Security Agreement and Waiver, dated as of August 14, 2013; and Amendment No. 11 to Loan and Security Agreement and Waiver, dated as of April 23, 2015 (as the same now exists or may hereafter be further

amended, modified, supplemented, extended, renewed, restated or replaced, the "Loan Agreement"), and the other agreements, documents and instruments referred to therein or at any time executed and/or delivered in connection therewith or related thereto (all of the foregoing, together with the Loan Agreement, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, being collectively referred to herein as the "Financing Agreements"). All capitalized terms used herein shall have the meaning assigned thereto in the Loan Agreement, unless otherwise defined herein.

Lender hereby formally notifies Borrowers and Guarantors that, in accordance with the terms of Section 12.1(a) of the Loan Agreement, the term of the Loan Agreement and the other Financing Agreements shall expire on January 31, 2016 and Lender presently has no intention to extend or modify the term of such financing arrangements. Accordingly, Borrowers and Guarantors (as applicable) are required to repay to Lender, for itself and the benefit of Lenders, in full, all outstanding and unpaid Obligations and provide for the payment of contingent Obligations, all in accordance with the terms of Section 12.1(a) of the Loan Agreement, and shall arrange to execute and deliver such documentation as Lender deems necessary or appropriate in connection therewith.

Please be advised that nothing in this Notice amends, waives, or modifies the terms of the Financing Agreements. Lender expressly reserves the right to exercise any or all of its rights and remedies under the Financing Agreements or otherwise, and nothing in this Notice or any delay on Lender's part in exercising any such rights or remedies, should be construed as a waiver of any such rights or remedies.

Very truly yours,

WELLS FARGO BANK, NATIONAL ASSOCIATION, successor by merger to Wachovia Bank, National Association

By: ____________________

Name: MELISSA PROVOST

Title: Vice President

cc: Mr. Peter J. Ruffini
Patriarch Partners, LLC
One Broadway, 5th Floor
New York, NY 10004
(Via Federal Express Overnight Delivery)

3805096.3

EXHIBIT 4

From: Michael Greenberg
Sent: Friday, December 11, 2015 11:46 AM
To: Lynn Tilton; Jean Luc Pelissier
Subject: RE: Transcare

Understood. I will let them know.

Michael S. Greenberg
Patriarch Partners
One Broadway, 5th Floor
New York, NY 10004
Direct: 646-723-7657
Fax: 212-825-2038
Email: michael.greenberg@patriarchpartners.com
www.patriarchpartners.com

From: Lynn Tilton
Sent: Friday, December 11, 2015 11:41 AM
To: Michael Greenberg; Jean Luc Pelissier
Subject: FW: Transcare

You should let them know that you are doing all you can to understand the near term issues to make a presentation to me.
You are also trying to drive the new businesses that drop to the bottom line with great alacrity.

From: Kurt.Marsden@wellsfargo.com [mailto:Kurt.Marsden@wellsfargo.com]
Sent: Friday, December 11, 2015 10:34 AM
To: Lynn Tilton
Cc: robert.strack@wellsfargo.com
Subject: RE: Transcare

Lynn,

Thank you. I understand and appreciate your attention to this matter. We can catch up early next week.

Regards,
Kurt

From: Lynn Tilton [mailto:Lynn.Tilton@PatriarchPartners.Com]
Sent: Friday, December 11, 2015 5:29 AM
To: Marsden, Kurt
Cc: Strack, Robert P.
Subject: RE: Transcare

Kurt,
I apologize for the delay in my response as I am traveling and was dealing with some other less than fun issues.
I am aware from Michael Greenberg that there are some issues that have arisen of which I was unaware challenging the company.
I did try to fund the shortfall yesterday for payroll but we missed the funding deadline and that will be done this morning.

I am not available today due to prior commitments nor am I fully apprised of these recent issues. I will make certain that I am and will make myself available this weekend to catch up on issues and a plan. I am in Arizona to finish up some contracts with the team and the Army this weekend and early next week. But I will make certain I am on top of these issues and ready to provide the necessary feedback.

I apologize for the inconvenience.
Lynn

From: Kurt.Marsden@wellsfargo.com [mailto:Kurt.Marsden@wellsfargo.com]
Sent: Thursday, December 10, 2015 4:33 PM
To: Lynn Tilton
Cc: robert.strack@wellsfargo.com
Subject: Transcare

Lynn,

I'm reaching out to you today because I just learned that Transcare's liquidity is extremely tight and we are skeptical that the company will hit the plan that was shared with us a few months ago. I understand from Bob Strack, who has joined us on a previous call, that we are working with the company to set up an all hands call tomorrow to discuss the liquidity situation. Bob and his team are still working on the logistics, but if your schedule allows, we believe that your direct involvement would be helpful. Depending on the time of the call, I will certainly do my best to join as well. Please let us know if you are available and some times that work with your schedule.

I copied Bob on this email to help make the process of scheduling this call a little more efficient.

Best Regards,

Kurt R. Marsden

Group Head - Corporate Finance Group

Wells Fargo Capital Finance | 2450 Colorado Avenue, Suite 3000 West | Santa Monica, CA 90404
Tel 310-453-7345 | Cell 818-404-2581 | Fax 866-358-0779

kurt.marsden@wellsfargo.com

EXHIBIT 5

From: Lynn Tilton <Lynn.Tilton@PatriarchPartners.Com>
Sent: Wednesday, December 16, 2015 10:46 PM
To: Michael Greenberg; Lynn Tilton
Cc: Jean Luc Pelissier; Brian Stephen; Randy Jones
Subject: RE: Transcare

You need to call me.

PATRIARCH PARTNERS

Lynn Tilton
Chief Executive Officer
Patriarch Partners, LLC
One Broadway, 5th Floor
New York, NY 10004
212-825-6772
212-825-2038 – FAX
Lynn.Tilton@PatriarchPartners.com
Web: www.patriarchpartners.com

From: Michael Greenberg
Sent: Wednesday, December 16, 2015 9:45 PM
To: Lynn Tilton
Cc: Jean Luc Pelissier; Brian Stephen; Randy Jones
Subject: Re: Transcare

That was not my understanding from the discussion with John and Melissa today. They had an issue with Mark over the past due payroll taxes and the past borrowing base issued and were asking for the past due payroll taxes to be cleared up in order to free up the line.

Michael

On Dec 16, 2015, at 9:39 PM, Lynn Tilton <Lynn.Tilton@PatriarchPartners.Com> wrote:

> I cannot believe how poorly this is being handled to send up here. This is more even a bigger problem that will lead to disaster. How could this be the outcome of your converdations.
>
> Lynn Tilton
> Chief Executive Officer
> Patriarch Partners, LLC
> One Broadway, 5th Floor
> New York, NY 10004

212-825-6772
212-825-2038 FAX
Lynn.Tilton@PatriarchPartners.com
Web: www.patriarchpartners.com

From: Kurt.Marsden@wellsfargo.com
Sent: December 16, 2015 8:52 PM
To: Lynn.Tilton@PatriarchPartners.Com
Subject: Transcare

Lynn,

I understand that your team updated you on this situation over the weekend and you made a determination to sell Transcare. Additionally, I learned that the Patriarch team is working to determine how much money the company needs in order to reach the completion of a sale process, and considering injecting some capital. Both of these actions were viewed as positive developments from our perspective. Unfortunately, we discovered today that the company is significantly behind on payroll taxes to the tune of $1.2 million not the $400k that the CFO represented to my team earlier today. This discovery is highly concerning especially since we have been clear that this is an area of sensitivity for us, and it frankly appears that management has not been completely forthright. Non-Responsive Non-Responsive we are highly concerned about the company's ability to survive until a sale is completed. I appreciate that this is a difficult situation, but it feels like we are nearing the boiling point. It would be very helpful if we could get clarity on how much financial support Patriarch is considering providing, and how soon the company could have access to that money since the company appears to have immediate liquidity challenges. Additionally, it would be helpful to understand your thoughts on potentially running the sale through a bankruptcy process. To be clear, our desire is to exit this credit facility and our appetite to support the business outside a process that leads to an exit is extremely limited. In light of this fact pattern, we need to discuss this situation at your earliest convenience. I understand from your team that you are tied up today and tomorrow, but perhaps tomorrow, we can find a mutually agreeable window to talk.

Respectfully,

Kurt R. Marsden

Group Head - Corporate Finance Group

Wells Fargo Capital Finance | 2450 Colorado Avenue, Suite 3000 West | Santa Monica, CA 90404
Tel 310-453-7345 | Cell 818-404-2581 | Fax 866-358-0779

kurt.marsden@wellsfargo.com

EXHIBIT 6

From: Michael Greenberg <Michael.Greenberg@PatriarchPartners.com>
Sent: Friday, December 11, 2015 10:38 AM
To: Lynn Tilton
Cc: Jean Luc Pelissier; Brian Stephen
Subject: RE: TransCare - today

We just confirmed that Mark has not provided the cash flow forecast to Wells Fargo.

They do not plan to provide a cash flow forecast without Board approval as they believe that Board Approval is required to send financial information and, in the past, the Board has approved.

We have tried to help them in reviewing their various demands over the next month. Despite many efforts to convince the management team otherwise, the management team continues to believe they need more working capital to manage the ebbs and flows of the business.

We have been asking and waiting on data to confirm volume which they have said has stayed at around $9.0MM (but they have been reducing their revenue assumption in the cash flow forecast).

Mark's last cash flow forecast showed a $3.1MM deficit through the 2nd week of January (there was no need as of mid-November discussion other than for vehicle down payments). A few items have changed as outlined below.

Part of the issue is the immovable Milea judgment in December ($888k), the need to maintain workers compensation insurance ($1.0MM in payments by year-end) and catch up on payroll taxes ($800k) (this will be a sensitive point for Wells Fargo once they discover that the company is behind on payroll taxes).

We have asked for a plan as to how they will address the delay in getting liquidity from the pre-bill. We have also asked for A/R aging which we are waiting on.

Given that, I would prefer that Jean Luc and you sign off on anything they would provide to Wells Fargo at this point.

However, I will prep them with Jean Luc prior to the call.

Michael

Michael S. Greenberg
Patriarch Partners
One Broadway, 5th Floor
New York, NY 10004
Direct: 646-723-7657
Fax: 212-825-2038
Email: michael.greenberg@patriarchpartners.com
www.patriarchpartners.com

From: Lynn Tilton
Sent: Friday, December 11, 2015 8:58 AM
To: Michael Greenberg

Cc: Jean Luc Pelissier; Brian Stephen
Subject: RE: TransCare - today

I had thought this was a company call.

From: Michael Greenberg
Sent: Friday, December 11, 2015 8:51 AM
To: Lynn Tilton
Cc: Jean Luc Pelissier; Brian Stephen
Subject: RE: TransCare - today

The company is not on the call. Wells Fargo only wanted to speak with Patriarch. Jean Luc and I spoke last night. I will de-brief with Jean Luc before the call.

I have previously spoken with John and Melissa where they voiced their concern about the upcoming payments and the investment they believe is required (I did not provide any feedback but listened). The company has told them that there is a revised plan for 2016 but it needs to be discussed with the board.

It still needs some further refinement and we have requested a presentation with more background information and details.

Wells Fargo separately asked Mark for a cash flow forecast. In the cash flow forecast, Mark is pushing certain of the NYSIF payments until after the end of this year to navigate the upcoming requirements.

Mark was working on this yesterday.

They are progressing on the new business options and have had ongoing discussions with their clients regarding those. I will ask Glenn to provide a further update and include it as part of their presentation.

Michael

Michael S. Greenberg
Patriarch Partners
One Broadway, 5th Floor
New York, NY 10004
Direct: 646-723-7657
Fax: 212-825-2038
Email: michael.greenberg@patriarchpartners.com
www.patriarchpartners.com

From: Lynn Tilton
Sent: Friday, December 11, 2015 8:42 AM
To: Michael Greenberg
Cc: Jean Luc Pelissier; Brian Stephen
Subject: RE: TransCare - today

You better prepare the company for the call so that they do not put themselves out of business.
They are going to need to show a plan they can meet to address the liquidity concerns.
Where are they on the new business options?

From: Michael Greenberg
Sent: Friday, December 11, 2015 8:21 AM
To: Lynn Tilton
Cc: Jean Luc Pelissier; Brian Stephen
Subject: TransCare - today

Lynn,

I will keep this brief given the prior updates.

- Mark is speaking with ADP early to make sure that they will process the Maryland and MTA payroll today ($290k) given their expectation of a payroll tax payment today ($450k) for this week's payroll.

- I asked Mark to check with ADP whether the direct deposits can possibly hit accounts today or tomorrow rather than Monday (no response back yet to the question).

- TransCare is 2 weeks behind (c. $850k) on payroll taxes (excludes the current week) (was 3 weeks but paid 1 of the past due payroll taxes this past Monday).
  - ADP has threatened multiple times not to process but Mark has been successful thus far in getting them to cooperate.

- Mark will advise me early about whether ADP is complying and by 11 a.m. of their borrowing base calculation for today.

- I confirmed with John Husson that Jean Luc and I are available for a 1 p.m. call today but that you are traveling and not available.

- Wells Fargo's auditor is still at TransCare. Mark mentioned to me last night that John called him about the BBC calculation yesterday. He said they did a review back to June and found certain instances (10) where TransCare was too aggressive in its daily calculation.

- We will keep you informed and provide you with an update after the Wells Fargo call.

Thank you,
Michael

Michael S. Greenberg
Patriarch Partners
One Broadway, 5th Floor
New York, NY 10004
Direct: 646-723-7657
Fax: 212-825-2038
Email: michael.greenberg@patriarchpartners.com
www.patriarchpartners.com

EXHIBIT 7

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

----------------------------------X

In re:

TRANSCARE CORPORATION, et al, — Chapter 7

DEBTORS,

----------------------------------X — CASE NO: 16-10407 (SMB)

SALVATORE LAMONICA, as Chapter 7 Trustee for the Estates of TransCare Corporation, et al.,

PLAINTIFF, — Jointly Administered

vs

LYNN TILTON, PATRIARCH PARTNERS AGENCY SERVICES, LLC, PATRIARCH PARTNERS, LLC, PATRIARCH PARTNERS MANAGEMENT GROUP, LLC, ARK II CLO 2001-1, LIMITED, ARK INVESTMENT PARTNERS II, LP, LD INVESTMENTS, LLC, PATRIARCH PARTNERS II, LLC, PATRIARCH PARTNERS III, LLC, PATRIARCH PARTNERS VIII, LLC, PATRIARCH PARTNERS XIV, LLC, PATRIARCH PARTNERS XV, LLC, TRANSCENDENCE TRANSIT, INC, and TRANSCENDENCE TRANSIT II, INC, — Adv. Proc. No. 18-1021

DEFENDANTS.

----------------------------------X

*** CONFIDENTIAL ***

Videotaped Deposition of LYNN TILTON

New York, New York

Monday, October 29, 2018

LYNN TILTON

from Michael Greenberg.

But when a company is doing $6 million of EBITDA and three-and-a-half million of it is coming from the MTA, you know, that you're not going to run the company without its EBITDA. It wasn't rocket science, it could be done at the back of the envelope.

MR. MERVIS: Let's take a lunch break?

THE WITNESS: Yeah.

VIDEOGRAPHER: The time is 1:30 p.m. We are now off the record.

(Whereupon, the proceedings were recessed for a lunch break and once again resumed.)

VIDEOGRAPHER: The time is now 2:16 p.m. We are back on the record.

(Whereupon, Plaintiff Exhibit 110, Marsden E-mail Chain Dated 12/16/15, Bates Stamped WF_TC_00006004 to '005, 2-Pages was marked for identification.)

BY MR. AMINI:

Q. Did you get this e-mail from Kurt Marsden on or about December 16, 2016?

LYNN TILTON

A. Yes.

Q. Kurt Marsden is from Wells Fargo, correct?

A. Yes.

Q. He was the person in charge of the Transcare loan, as far as you understood?

A. He was in charge of asset-based lending. He is a very seeming person; he would be my counterpart at Wells. He reports to someone named Guy, but he's pretty much in charge.

Q. Let me ask you a question, I'm not trying to be accusatory, we haven't been able to find this e-mail in your production.

It may well be there.

This e-mail ordinarily would be in your e-mails, you would keep such an e-mail, correct?

A. I would be shocked if you do not have this in your production, because, yes, there would have been an e-mail that was searched, and I reviewed it as part of the production, so I think you are mistaken.

Q. Fair enough. He states at the

LYNN TILTON

beginning of this, this is on Wednesday, December 16th, "I understand your team updated you on your situation over the weekend and you made a determination to sell Transcare."

Do you see that?

A. Yes.

Q. And he referring to the prior weekend, going back to the weekend of December 12th and 13th?

A. That's what he writes.

Q. Did you, in fact, make a determination over the weekend or thereabouts to sell?

A. I made a determination that we could not continue with the current management team, and we would either need to sell, file for bankruptcy, unwind, or do some sort of transaction, because the current management team could not continue to run this company properly.

Q. And that was going to be my next question.

On what -- what was the precipitating factor, if any, or factors, what

LYNN TILTON

were the precipitating factors, if any, of your decision, as he refers to it, to sell Transcare?

A. There were many factors leading up to it, but most of it was my loss of confidence of this team to provide information, accurate information or run the company properly.

Q. He makes a reference to the situation is reminiscent of Galey. What is he talking about?

A. Galey and Lord is another portfolio company where they lost confidence in the management team and the accuracy of the information they were sending.

Q. And what business was Galey and Lord in?

A. It was in the textile business.

Q. Do you still own that company?

A. No. We foreclosed on the assets of that company, and it is an orderly liquidation. When I say "we," PPAS foreclosed on behalf of the lenders.

Q. When did you do that, roughly?

A. Sometime in 2016.

LYNN TILTON

Q. I will show you what was previously marked as Exhibit 42.

Who is Vikram Agrawal?

A. He was a credit officer at Patriarch Partners.

Q. Was he junior to Mr. Greenberg?

A. At the time, yes.

Q. Is he still there?

A. He just recently left.

Q. Do you know where he went?

A. He went to work for a private equity firm in Dallas; I don't know the name of that firm.

Q. We saw earlier -- I mean, you can go back to Exhibit 110, if you'd like, but this is the Friday after Mr. Marsden indicates that your team had told him that you made a determination to sell Transcare?

MR. MERVIS: Are you referring to 110?

MR. AMINI: 110, yeah.

THE WITNESS: I made a determination not to continue, as it was, one of the options was selling, which is why I asked

Mr. Greenberg to gather this information so I could understand the marketplace much better.

BY MR. AMINI:

Q. And you had an opportunity to review this, correct?

A. Excuse me?

Q. You reviewed this at time, December 18, 2015?

A. I don't know exactly if it was December 18th, but I did receive the e-mail and I did look at it.

Q. Do you have any recollection of any conclusions that you reached after reading this?

A. Just that there was a marketplace and that these were the comparables and then we had to figure out what Transcare actually looked like, and what might be possible to be sold, once we dug in ourselves and tried to look at the numbers and contracts.

So this is when I began with my own team to look into what Transcare really was, because we were not getting honest information

LYNN TILTON

from the -- from Glenn Leland or Mark Bonilla, and we were going to do the work to see what was saleable.

I was exploring that as an alternative for certain.

(Whereupon, Plaintiff Exhibit 112, Greenberg E-mail Chain Dated 12/20/15, Bates Stamped PP-TRBK0083457 to '58, 2-Pages was marked for identification.)

BY MR. AMINI:

Q. I am not going to ask you much, the first couple of paragraphs, but if you need to read the whole thing, you are welcome to read it.

A. Well, I mean...

MR. MERVIS: Do what you need to do.

Q. If I have a question that you need to read, we can go back to it. But I think it will go faster if you let me ask.

Who is John Pothin?

A. John Pothin was the head of human resources at Patriarch Partners.

Q. And as I understand it, Randy Jones was also involved in the human resources?

reached out to any of these companies?

A. I did not reach out. The company was the one who said they had unsolicited calls and I asked them to put -- give me anything they had in writing, because I believe Glenn Leland made things up that was not forthright or honest.

Q. When did you come to that conclusion?

A. Probably I started to have my concerns somewhere in July timeframe and certainly it was confirmed in the November/December timeframe when the numbers were not honest and he could not backup the things he was saying to me in his e-mails.

Q. Did you -- I don't think I got an answer to this: Did you ever -- did you or anybody on your behalf, reach out to any of these people that were identified as having made unsolicited calls?

MR. MERVIS: Objection.

THE WITNESS: I did answer, and I said no.

Q. Besides National Express, do you

recall a company called RCA?

A. Yes, I do.

Q. And they reached out to you a couple of times?

A. They did.

Q. And did you respond to them?

A. I had the company respond to them.

Q. Did you ever engage them?

A. I don't know what that means.

Q. They reached out to you because they were interested in some kind of entering into some kind of transaction with Transcare, did they not?

A. They had an interest in taking over the management contract or they set up a potential purchase, and I had Glenn reach out to them and put anything in writing, but I was not looking to change the management at the time.

But if there was a price they were willing to pay, if they knew what they were actually buying, since it was bleeding and in crisis, that he should get that in writing.

Q. Other than asking Glenn Leland to

LYNN TILTON

reach out to them, did you instruct anyone else to reach out to them?

A. I don't believe so.

Q. After asking Glenn Leland to reach out to them, did you ever get a response?

A. From Glenn Leland?

Q. Well, let's start with Glenn Leland.

A. Well, that was the only person I asked to reach out so that would be the only one I would get a response from.

Q. Did you get a response from Glen?

A. He did not get anything in writing. They thought they were under the wrong impression of how the company was going and he said the only thing we could do is try to reach out for a where is as is bid.

But you would have to have financial information to a potential buyer; and since we didn't have credible financial information, it would have been a difficult thing to do.

(Whereupon, Plaintiff Exhibit 113, Greenburg E-mail Chain, Dated 10/27/15, Bates Stamped PP-TRBK0083693 to '805, 113-Pages was marked for identification.)

were not the owners. But I also believed that Glen was out trying to market pieces of the company with himself rather than actually doing the work and fixing the company.

But I asked him always to get me any kind of bid in writing.

Q. All right. At any time did you go out and market the company yourself?

A. No, because I didn't have anything to market it with at this time. I was still trying to get clean numbers up to February 23rd, when we foreclosed.

Q. Did Glen have authority to market the company?

A. No.

Q. Without your approval?

A. No.

Q. Did you make that clear to him?

A. Oh, I did, yes.

Q. So is it fair to state that other than you did -- let me back up for a second. When you say you believed Glen was out there marketing the company, that was your suspicion, correct?

LYNN TILTON

A. Well, since most of his updates, rather than having numbers or talking about the process, was talking about all the potential ways of existing the company never on fixing it.

And he was full of bluff, because when I called him on it and had him go get actual offers, he would back off and say, oh, I guess we really can't get that number, because we don't really have that EBITDA or maybe we can get a where is or maybe 14 to 17 or maybe six to seven million, so I would call him on doing an analysis and doing actual numbers, because none of it ever made sense.

Q. Did you ever engage did you ever direct him to engage with anybody other than if he could go out and -- well withdrawn?

A. I didn't ask him to go out. When he brought me things I asked him to do analysis or get written bids in writing.

Q. And the same would be true of National Express, correct?

A. Yes I asked him to get a written bid and he did and it was six to $7 million, not

EXHIBIT 8

TransCare - updates to 2016 preliminary plan based on yesterday's discussion

From:
Michael Greenberg <michael.greenberg@patriarchpartners.com>
To:
clandeck@carlmarksadvisors.com, jkillion@carlmarksadvisors.com
Cc:
Jean Luc Pelissier <jeanluc.pelissier@patriarchpartners.com>
Bcc:
jkillion@carlmarks.com
Date:
Thu, 07 Jan 2016 12:33:38 -0500
Attachments:
oledata.mso (4.16 MB); image001.wmz (13 kB); TRANSCARE BUSINESS MODEL 2015 and 2016 12-30-2015 v11-mag (version 1).xlsx (4.76 MB)

Carl/Jonathan,

This is the case that Jean Luc and I had worked on. Given the discussions with NYSIF ($1MM payment reduced to $225k payment), the cash flow forecast included a payment plan that is more aggressive than the most recent discussions.

As I mentioned, work needs to be done on building interactivity on A/P, A/R, ABL (WF revolver assumptions) and payment plans.

Michael

Jean Luc and I worked all night to arrive at a scenario to address the parameters that we discussed yesterday to support a sale process and minimize capital needed. This reports differs from prior reporting. As we discussed yesterday, it is more operationally driven.

We began by assessing the changes that have occurred in each of the divisions over the past few years and re-assessing the operational initiatives from 2015.

One of the most meaningful events was in mid-2014 the movement of NY non-emergency from midtown to Hamilton Brooklyn when a majority of the 911 and non-emergency customers are in upper Manhattan and north. This was one of the operational initiatives for 2015 but progress only made recently.

More specifically, the 2015 operational initiatives included the following:

- Eliminate Hamilton location and locate a location in Manhattan or South Bronx for NYC 911 and non-emergency (move vehicles closer to point of use);
- Eliminate non-profitable contracts including Board of Education and exit Main Line markets;
- Reduction in overhead;
- Build fleet management program for the ambulances (tracking reliability and repair KPI, continuous improvement and preventive maintenance); and
- Implement ePCR.

Overview of 2014 and 2015 performance by division
Below is a summary chart by division and a description of each division which illustrates the change in performance in particular divisions over time. It was used as a foundation for making our model assumptions.

- **Transit (26% of revenue)**
  - The Transit contract was renewed in mid-2015 through October 2019 but the MTA moved away from a commercial contract to a municipal contract where it limited profitability.
  - The MTA also demanded a rebate of $225k per month beginning in October (for at least 9 months) due to an interim extension where they believed they were overcharged.
  - During the 3rd and 4th quarters of 2015, Transit lost routes due to challenged performance and concerns about the TransCare's stability due to the delayed payment of insurance bills and other obligations.
  - TransCare can look to address Transit's concerns through improved payments of vendors and looking at ways to address the MTA's request to separate the cash of the business.

- **NYC 911 (31% of revenue)** – This is the most profitable division. Fire Department handles dispatch. There are 50 vehicles under contract, those vehicles are at work 24hr/day 7 days/week and don't return to the base.
  - All of the main customers have issued ultimatums for new vehicles (20 new 911 vehicles are expected to be required at a minimum).
  - Set number of ambulances per hospital (cannot be added or subtracted).

- **NY Core (non-emergency) (20% of revenue)**
  - Mid-2014 loss of facility in midtown resulted in 30% loss in labor efficiency resulted in turning the division from $50k in EBITDA to $(150)k - $(250)k in EBITDA.
  - A location has been found in the South Bronx which will help labor efficiency significantly.
  - Note that several non-emergency customers (Montefiore, Mt. Sinai) are also 911 customers a key consideration to improving and keeping the business.

- **Maryland (6% of revenue)**
  - University of Maryland is the primary customer.
  - It is a slightly below breakeven market but there is opportunity to increase rates to restore profitability.

- **Pittsburgh (6% of revenue)** – In Q4, due to having the oldest fleet, Pittsburgh has had 20 vehicles out of service. The performance has suffered as a result of vehicle out of service.

- **Hudson Valley (11% of revenue)** – Historically, a strong market with relatively good vehicles. More recently, it has had some challenges due to delayed vehicle maintenance.

EXHIBIT
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(amounts in thousands)	Year Ended 12/31/2014	Year Ended 12/31/2015	$ Change 2015 vs. 2014	% Change 2015 vs. 2014	Comments
New York Revenues Core (total)	29,189	20,566	(8,623)	-91.5%	Exit Board of Education for $1.2M, reclass
Transit Revenues	30,063	29,523	(540)	-1.8%	Impact of rebate, lost routes later in yr.
Maryland Revenues	8,891	6,852	(2,039)	-22.9%	Lost share for fleet reliability
Main Line (incl. Subsidy)	10,689	2,781	(7,906)	-70.9%	Shut down
Pittsburgh Revenues (incl. Subsidy)	7,868	6,828	(1,040)	-13.1%	Cut nursing homes / Decline UPMC
NYC 911 Revenues (incl. Subsidy)	32,309	35,554	3,245	622.0%	Sandy, Reclass
Hudson Valley (including Subsidy)	11,661	12,238	577	7.3%	
All Revenues	130,670	114,342	(16,328)	-12.5%	
New York EBITDA Core	117	(1,682)	(1,800)	-1533.5%	
Transit EBITDA	3,789	2,567	(1,222)	-32.3%	
Maryland EBITDA	236	(472)	(708)	-300.0%	
Main Line EBITDA	(1,690)	(1,289)	401	-23.7%	
Pittsburgh EBITDA	647	415	(232)	-35.9%	
NY 911 EBITDA	3,410	6,366	2,957	86.7%	
Hudson Valley EBITDA	812	1,837	1,025	126.2%	
Corp OH	(6,278)	(5,804)	474	-7.5%	
EBITDA	488	1,365	877	179.8%	
% of revenue	0.4%	1.2%			

Latest Preliminary Budget
We discussed with management one more time a number of scenarios but agreed to disagree.

As a result, we worked independently to arrive at a scenario more consistent with the parameters discussed yesterday.

Key assumptions to latest preliminary budget:
- Currently there are 169 ambulances in service out of 245 (72 are out of service at any point of time or close to 30%).
  - From mid-year to December 2015, the number of in service vehicles declined by nearly 15.
  - It is unclear as to how much is attributable to delayed maintenance versus the need to replace vehicles (despite the average age of 7+ years).

- Maintenance and payments of parts vendors will be critical in Q1 to address vehicle performance.
- Replacement of 20 NYC 911 vehicles (critical to maintaining customers) and 20 non-emergency vehicles to reduce average age of fleet and address those in worst condition.
- Move from Hamilton facility to South Bronx as soon as possible to drive improved efficiency and volume (by up to 30%) of non-emergency and 911 business.
- Inject 20 new ambulances into the 911 business to save customers (assumes 25% down payment).
- MTA business will take 5 – 6 months to improve significantly due to a need to replace management and time required to get back routes.
- MTA has said that they will consider returning routes (currently around 210 vs. 280 – 300 previously) as they witness progress with vendors and consideration of their request to separate cash flow.
- The assumption is that each vehicle adds approximately $38k per month in revenue and $450k per year.

- Revenue increases from $115MM to $120MM, including $2MM in new services.
- Gross margin % improves from 28.6% to 32.1% due to greater efficiencies with improved maintenance, removal of MTA rebate in Q4, increased parts supply and the move from Hamilton to South Bronx.
- EBITDA improves from $1.4MM to $6.9MM based on the reasons outlined above.
- The maximum funding need during 2016 is $4.5MM but can be mitigated through any potential delays in vehicle leases.

Another alternative is to not replace the 20 non-emergency vehicles which would reduce the peak need by only $120k but there is concern that the decline in non-emergency volume will continue.

I have attached the model and shown the monthly P&L below along with 13-week cash forecast as an Exhibit below.

$ in thousands	2014	YTD Sept.	Oct.	Nov.	Dec.	2015	Jan.	Feb.	Mar.	Q1 2016	Q2 2016	Q3 2016
Revenue	$131,122	$88,841	$8,911	$8,681	$8,318	$114,752	$8,672	$9,995	$9,175	$26,842	$30,180	$31,390
Cost of Service	93,567	62,562	6,596	6,536	6,239	81,933	6,249	6,347	6,305	18,901	20,438	21,021
Gross Margin	37,555	26,279	2,316	2,145	2,079	32,818	2,423	2,648	2,869	7,940	9,742	10,369
Gross Margin %	28.6%	29.6%	26.0%	24.7%	25.0%	28.6%	27.9%	29.4%	31.3%	29.6%	32.3%	33.0%
Operating Expenses	37,067	23,642	2,563	2,617	2,631	31,453	2,522	2,554	2,590	7,667	7,916	8,038
Op. Exp. (% of revenue)	28.3%	26.6%	28.8%	30.1%	31.6%	27.4%	29.1%	26.4%	28.2%	28.6%	26.2%	25.6%
EBITDA (after mgmt. fees)	488	2,636	-247	-472	-552	1,365	-99	94	279	273	1,826	2,330
EBITDA Margin %	1.3%	3.0%	2.8%	5.4%	6.6%	1.2%	1.1%	1.0%	3.0%	1.0%	6.1%	7.4%
Interest payments	(4,980)	(3,624)	(414)	(415)	(415)	(4,868)	(388)	(388)	(388)	(1,165)	(862)	(1,165)
Capital expenditures	-	1	-	-	-	1	-	707	694	1,401	906	249
Capital lease payments	(996)	(367)	(114)	(114)	(114)	(708)	(114)	(371)	(388)	(873)	(1,292)	(1,002)
Free Cash Flow	(5,488)	(1,354)	(775)	(1,001)	(1,081)	(4,210)	(601)	42	196	(364)	1,668	412
Summary Balance Sheet												
A/P (incl. PPAS/PPMG)	$15,174	$12,882	$13,104	$13,988	$13,298	$13,298	$11,948	$11,228	$10,284	$10,284	$9,679	$9,391
Cumulative Change in A/P	3,995	-	222	1,106	416	416	(934)	(1,654)	(2,598)	(2,598)	(3,203)	(3,491)
PPAS Current Loans	$36,266	$40,895	$40,895	$40,895	$40,895	$40,895	$40,895	$40,895	$40,895	$40,895	$40,895	$40,895
Proposed Loans	$0	$0	$750	$750	$2,028	$2,028	$6,207	$6,507	$6,507	$6,507	$6,507	$6,507
ABL	$17,722	$17,714	$17,204	$16,890	$17,468	$17,468	$16,935	$17,337	$17,742	$17,742	$18,928	$19,002
Total Debt	$53,988	$58,610	$58,850	$58,535	$60,391	$60,391	$64,038	$64,740	$65,144	$65,144	$66,330	$66,405

The peak need of close to $4.5MM is driven by the following:
Immediate requirements (including $1MM NYSIF payment and other obligations this week incl. payroll, payroll taxes); $2.2MM

25% down payments on 20 911 and 20 non-emergency vehicles:	$1.3MM
Other A/P payments necessary to open back up parts supplies and maintain existing vehicles:	$1.0MM
Total	$4.5MM

The risk of not leasing the non-emergency vehicles only reduces the peak need by $120k but risks continued deterioration of the non-emergency business.

For the sake of providing another scenario, we considered a more extreme case (Exit NY non-emergency and Maryland):

- NY non-emergency is currently unprofitable.
- Corporate reductions are assumed and would be required in order to maintain profitability.
- Most importantly, peak need is $7.17MM including $2.8MM of old A/P to pay down.
- Revenue of $84.1MM, EBITDA of $4.0MM (EBITDA margin of 4.7%) including a profitable Q1.
- **Biggest risk: Potential loss of lucrative 911 business with Montefiore and Mt. Sinai.**

Please let us know when you would like to discuss.

Thank you,
Michael

Exhibit I – 2016 Monthly Financials

2016 Monthly Income Statement

INCOME STATEMENT	Budget Jan-16	Budget Feb-16	Budget Mar-16	Budget Apr-16	Budget May-16	Budget Jun-16	Budget Jul-16	Budget Aug-16	Budget Sep-16	Budget Oct-16
New Vehicles	0	7	7	8	8	5	1	1	1	1
In service vehicles	173	180	187	195	203	208	209	210	211	212
Average monthly revenue per	$39,000	$39,000	$38,500	$39,000	$39,000	$38,500	$38,000	$38,000	$38,000	$38,000
Ambulance Revenue	6,747,000	7,020,000	7,199,500	7,605,000	7,917,000	8,008,000	7,942,000	7,980,000	8,018,000	8,056,000
Revenue	$8,647,000	$8,920,000	$9,099,500	$9,605,000	$9,917,000	$10,208,000	$10,142,000	$10,280,000	$10,318,000	$10,356,000
New Products & services	$25,000	$75,000	$75,000	$150,000	$150,000	$150,000	$200,000	$225,000	$225,000	$225,000
Net Revenue (All)	$8,672,000	$8,995,000	$9,174,500	$9,755,000	$10,067,000	$10,358,000	$10,342,000	$10,505,000	$10,543,000	$10,581,000
Driver Compensation & Related	$4,309,440	$4,342,475	$4,495,505	$4,779,930	$4,822,160	$4,971,840	$4,922,792	$5,000,380	$5,018,468	$5,036,556
Dispatch, Customer Service	$301,034	$312,118	$321,108	$341,435	$352,345	$362,530	$361,979	$367,675	$369,005	$336,975
Fleet Compensation	$308,796	$320,179	$315,169	$330,092	$331,081	$340,706	$340,992	$347,286	$342,509	$345,734
Work Compensation Costs	$260,160	$269,850	$275,265	$292,650	$302,010	$310,740	$310,260	$324,667	$332,719	$324,997
Maintenance Costs	$248,731	$257,909	$233,971	$268,614	$260,676	$274,418	$274,646	$279,691	$275,904	$278,449
Other Fees, Insurances	$234,366	$242,995	$239,190	$251,196	$251,255	$258,550	$258,765	$263,516	$259,950	$262,347
Fuel, Tolls & Parking Costs	$225,472	$233,870	$238,637	$253,630	$261,742	$269,306	$268,892	$273,130	$274,118	$275,106
Medical Supplies, Rentals & Repairs	$72,387	$75,075	$73,902	$77,614	$77,645	$79,912	$79,982	$81,491	$80,303	$81,169
Communications	$35,107	$36,431	$35,869	$37,678	$37,718	$38,844	$38,885	$39,674	$38,951	$39,472
All Other COGS	$53,756	$55,769	$58,882	$60,481	$62,417	$64,229	$64,120	$65,131	$63,367	$65,892
SUB TOTAL - COST OF SERVICE	$6,249,289	$6,346,671	$6,305,268	$6,693,730	$6,776,646	$6,971,068	$6,921,304	$7,042,633	$7,057,294	$7,046,347
SUB TOTAL - GROSS PROFIT	$2,422,711	$2,648,329	$2,869,232	$3,062,770	$3,291,954	$3,386,932	$3,420,696	$3,462,367	$3,485,706	$3,534,653
%	27.9%	29.4%	31.3%	31.4%	32.7%	32.7%	33.1%	33.0%	33.1%	33.4%
Administrative Staffing	$1,023,296	$1,007,440	$1,027,344	$1,075,000	$1,075,000	$1,075,000	$1,075,000	$1,075,000	$1,075,000	$1,075,000
Facility Costs	318,085	327,616	321,923	337,492	335,361	342,854	342,549	345,529	352,049	343,879
Insurance Auto/Liability	234,144	242,865	247,712	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Professional Fees	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
All Other SG&A	286,176	296,633	302,759	321,915	332,211	341,814	341,286	346,665	347,919	349,173
Bad Debt	520,320	539,700	550,470	487,750	503,350	517,900	517,100	525,250	527,150	529,050
TOTAL OPERATING EXPENSES	$2,522,021	$2,554,456	$2,590,407	$2,612,347	$2,635,922	$2,667,568	$2,665,935	$2,680,444	$2,692,116	$2,687,302
EBITDA CURRENT BUSINESS	($99,310)	$93,873	$278,825	$450,423	$656,031	$719,364	$754,760	$781,922	$793,588	$847,350
%	-1.1%	1.0%	3.0%	4.6%	6.5%	6.9%	7.3%	7.4%	7.5%	8.0%
Interest Expense & Cap Lease	$429,018	$433,219	$437,344	$442,093	$446,731	$449,045	$451,464	$451,730	$451,981	$452,217
Depreciation	155,077	155,077	155,077	155,077	155,077	155,077	155,077	155,077	155,077	155,077
All other	4,950	6,019	5,532	5,600	6,729	5,200	4,250	6,540	6,540	6,540
Income Tax	0	0	0	0	0	0	0	0	0	0
NET INCOME with RECOVERY	($688,356)	($500,443)	($319,128)	($152,157)	$47,474	$110,042	$141,969	$168,575	$179,990	$233,756
%	-7.9%	-5.6%	-3.5%	-1.6%	0.5%	1.1%	1.4%	1.6%	1.7%	2.2%

2016 Monthly Balance Sheet

	Budget Jan-16	Budget Feb-16	Budget Mar-16	Budget Apr-16	Budget May-16	Budget Jun-16	Budget Jul-16	Budget Aug-16	Budget Sep-16
Cash	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000
Accounts Receivable (Net of reserve)	$20,551,491	$20,364,693	$20,479,780	$19,529,461	$20,934,882	$19,814,822	$16,527,680	$15,627,480	$19,467,698
Inventories	1,200,000	985,350	985,350	1,315,000	1,315,000	1,524,156	1,375,836	1,575,836	1,875,806
Prepaid Expenses	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Total Current Assets	**$22,101,491**	**$21,710,043**	**$21,825,060**	**$21,394,461**	**$22,799,882**	**$21,705,778**	**$21,253,496**	**$20,563,316**	**$21,693,606**
PPE (Net)	$5,104,488	$5,901,445	$4,895,286	$5,414,780	$6,256,777	$6,501,310	$6,914,758	$6,570,617	$6,859,848
Goodwill	13,547,306	13,547,306	13,547,306	13,547,306	13,547,306	13,547,306	13,547,306	13,547,306	13,547,306
Other Assets	6,205,085	6,205,085	6,205,085	6,205,085	6,205,085	6,205,085	6,205,085	6,205,085	6,205,085
TOTAL ASSETS	**$45,045,568**	**$45,364,078**	**$46,172,957**	**$46,560,812**	**$48,809,250**	**$48,049,600**	**$47,922,033**	**$47,195,524**	**$48,285,132**
Accounts Payable	$11,547,502	$11,227,502	$10,282,512	$10,677,802	$9,873,273	$9,478,730	$9,341,942	$9,446,141	$9,181,281
Accrued Expenses	$1,656,940	$1,656,940	$2,902,450	$2,369,601	$2,308,121	$2,486,158	$2,414,460	$2,479,083	$2,614,220
Accrued Compensated Absences	605,381	605,381	605,381	605,381	605,381	605,381	605,381	605,381	605,381
Line of Credit Borrowing	16,934,893	17,336,889	17,741,944	17,775,401	19,769,585	18,927,632	18,374,886	18,020,307	19,002,425
Current liabilities	**$31,144,918**	**$31,026,912**	**$31,534,077**	**$31,329,615**	**$32,759,262**	**$31,698,321**	**$31,176,569**	**$30,391,114**	**$31,413,508**
Term Loans	40,895,483	40,895,483	40,895,483	40,895,483	40,895,483	40,895,483	40,895,483	40,895,483	40,895,483
Capital Contribution	6,307,239	6,307,239	6,307,239	6,307,239	6,307,239	6,307,239	6,307,239	6,307,239	6,307,239
Capital Lease	1,600,438	1,640,447	2,264,288	3,029,762	3,779,779	3,973,607	4,224,065	4,113,914	4,001,129
Deferred Rent Payable	815,152	815,152	815,152	815,152	815,152	815,152	815,152	815,152	815,152
Deferred Tax Liability	3,821,396	3,821,396	3,821,396	3,821,396	3,821,396	3,821,396	3,821,396	3,821,396	3,821,396
TOTAL LIABILITIES	**$83,893,676**	**$84,709,628**	**$85,837,636**	**$86,397,647**	**$88,578,631**	**$87,708,998**	**$87,440,204**	**$86,544,298**	**$87,453,987**
Equity (Deficit)	($38,845,108)	($39,345,550)	($39,664,678)	($39,816,835)	($39,769,361)	($39,659,319)	($39,517,350)	($39,348,775)	($39,168,785)
TOTAL EQUITY	**($38,845,108)**	**($39,345,550)**	**($39,664,678)**	**($39,816,835)**	**($39,769,361)**	**($39,659,319)**	**($39,517,350)**	**($39,348,775)**	**($39,168,785)**
TOTAL LIABILITIES & EQUITY	**$45,048,569**	**$45,364,078**	**$46,172,957**	**$46,550,812**	**$48,809,250**	**$48,049,679**	**$47,922,855**	**$47,195,523**	**$48,285,132**

2016 Monthly Cash Flow Statement

CASH FLOW STATEMENT	Budget Jan-16	Budget Feb-16	Budget Mar-16	Budget Apr-16	Budget May-16	Budget Jun-16	Budget Jul-16	Budget Aug-16	Budget Sep-16	Budget Oct-16
Net Income/(Loss)	**($688,350)**	**($500,443)**	**($319,128)**	**($152,157)**	**$47,474**	**$110,062**	**$141,969**	**$168,575**	**$179,990**	**$253,**
Add back: Depre. & Amortization	155,077	155,077	155,077	155,077	155,077	155,077	155,077	155,077	155,077	155,
Bad debts	420,320	559,700	380,470	487,750	503,350	517,000	517,100	525,250	527,150	529,
Deferred Tax Expense	0	0	0	0	0	0	0	0	0	
Changes in operating assets & liabilities										
Decrease (Increase) in AR & Other	838,930	186,798	(115,087)	950,260	(1,405,421)	1,103,380	323,962	880,180	(830,219)	128
Decrease (Increase) in Inventory	0	204,659	0	(519,650)	0	(9,156)	148,320	(200,000)	(299,164)	
Decrease (Increase) in Pre-Paid	0	0	0	0	0	0	0	0	0	
Increase (Decrease) in AP & Other	(4,144,261)	(1,342,868)	(691,381)	(1,084,594)	(1,377,714)	(812,779)	(464,054)	(407,072)	(120,073)	(118,
CASH FLOW FROM OPERATIONS	**($3,500,269)**	**($756,879)**	**($420,180)**	**($163,273)**	**($2,077,235)**	**$1,264,332**	**$982,301**	**$1,142,011**	**($296,795)**	**$936,**
Purchase of Property and Equipment	$0	$700,938	$693,841	$838,475	$923,017	$334,334	$505,450	$577,133	$59,779	$42,
Lease New Fleet Vehicles	(73,000)	(326,041)	(339,159)	(354,626)	(369,983)	(378,466)	(387,542)	(270,153)	(272,778)	(275,
Proceeds from Disposal of Assets										
CASH FLOW FROM INVESTING	**($73,000)**	**$300,997**	**$354,683**	**$483,849**	**$453,034**	**($343,933)**	**($862,085)**	**($307,302)**	**($332,549)**	**($337,**
CASH FLOW BEFORE FINANCING	**($3,573,269)**	**($455,883)**	**($65,497)**	**$320,675**	**($1,624,200)**	**$1,320,418**	**$750,309**	**$834,709**	**($709,344)**	**$619,**
Proceeds (Repay) of Line of Credit	($534,980)	$401,994	$404,056	533,857	$1,994,183	($841,253)	$352,766	$354,350	$982,118	($342,
Payments of Capital Lease Obligations	(73,000)	(326,041)	(339,159)	(354,526)	(369,983)	(378,466)	(387,542)	(270,153)	(272,774)	(275,
Proceeds (Pay down) Capital										
Proceeds from Term Loans	4,178,239	300,000	0	0	0	0	0	0	0	
Deferred Financing Cost	0	0	0	0	0	0	0	0	0	
CASH FLOW FROM FINANCING	**$3,573,270**	**$475,952**	**$65,497**	**($320,669)**	**$1,624,200**	**($1,320,418)**	**($750,309)**	**($834,709)**	**$709,343**	**($619,**
BEGINNING CASH BALANCE	$100,001	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,
Net Change in Cash Balance	0	(6)	0	4	0	(9)	0	0	(0)	
ENDING CASH BALANCE	**$100,001**	**$100,000**	**$100,000**	**$100,004**	**$100,000**	**$100,000**	**$100,000**	**$100,000**	**$100,000**	**$100,**

Exhibit II – 13-week cash flow forecast

TransCare Corporation 13 Week Cash Plan (000's Omitted)	Budget Week 1 1/1/16	Budget Week 2 1/8/16	Budget Week 3 1/15/16	Budget Week 4 1/22/16	Budget Week 5 1/29/16	Budget Week 6 2/5/16	Budget Week 7 2/12/16	Budget Week 8 2/19/16	Budget Week 9 2/26/16	Budget Week 10 3/4/16	Budget Week 11 3/11/16	Budget Week 12 3/18/16
RECEIPTS												
Ambulance Receipts	$ 1,307	$ 1,772	$ 1,602	$ 1,707	$ 1,707	$ 1,707	$ 1,707	$ 1,906	$ 1,707	$ 1,707	$ 1,707	$ 1,80
Paratransit Receipts	$	$	$ 1,956	$	$	$ 2,050	$	$	$	$	$ 2,050	$ -
TOTAL RECEIPTS	$ 1,307	$ 1,772	$ 3,558	$ 1,707	$ 1,707	$ 3,757	$ 1,707	$ 1,906	$ 1,707	$ 1,707	$ 3,757	$ 1,80
DISBURSEMENTS												
Payroll												
Wages and employer taxes	$ 696	$ 2,266	$ 1,725	$ 1,365	$ 1,365	$ 1,365	$ 1,365	$ 1,365	$ 1,365	$ 1,365	$ 1,365	$ 1,36
HP & Voluntary Benefits	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
H S A funding												
UHC - Employee Medical	$ -	$ -	$ 30	$ 370	$ -	$ -	$ -	$ -	$ 370	$ 370	$ -	$ -
Total Benefits	$ 696	$ 2,266	$ 1,755	$ 1,735	$ 1,365	$ 1,365	$ 1,365	$ 1,365	$ 1,735	$ 1,735	$ 1,365	$ 1,36
Total payroll & benefits	$ 696	$ 2,266	$ 1,755	$ 1,735	$ 1,365	$ 1,365	$ 1,365	$ 1,365	$ 1,735	$ 1,735	$ 1,365	$ 1,36
Insurance	$ -	$ 1,253	$ -	$ 357	$ 504	$ 280	$ 200	$ 357	$ 347	$ 257	$ 100	$ 10
Debt interest	$ 310	$ 385	$ -	$	$ 85	$ 300	$	$	$ 85	$ 300	$	$
Other disbursements												
Rent	$ 443	$ -	$ 135	$ 135	$ -	$ 50	$ 150	$ 56	$ -	$ 100	$ 28	$ -
ACH Debits	$ 85	$ 46	$ 64	$ 71	$ 123	$ 65	$ 74	$ 146	$ 194	$ 76	$ 58	$ 14
Vehicle lease payments	$ 48	$ 43	$ -	$ -	$ 43	$ -	$ -	$ -	$ 90	$ -	$ -	$ -
Vehicle purchase dp	$ -	$ -	$ -	$ -	$ -	$ (1)	$ -	$ -	$ -	$ -	$ 240	$ -
Accounts payable - other	$ 25	$ -	$ 25	$ 150	$ 200	$ 223	$ 200	$ 220	$ 300	$ 150	$ 300	$ 25
Total other disbursements	$ 596	$ 89	$ 224	$ 356	$ 366	$ 337	$ 424	$ 422	$ 584	$ 326	$ 626	$ 18
TOTAL DISBURSEMENTS	$ 1,602	$ 3,993	$ 1,979	$ 2,448	$ 2,320	$ 2,202	$ 1,989	$ 2,144	$ 2,751	$ 2,618	$ 2,091	$ 1,86
CHANGE IN CASH	$ (295)	$ (2,221)	$ 1,579	$ (741)	$ (613)	$ 1,554	$ (282)	$ (238)	$ (1,044)	$ (911)	$ 1,666	$ (8
NET AVAILABLE CASH	$ 1	$ (2,149)	$ (2,999)	$ (3,839)	$ (4,179)	$ (4,182)	$ (3,971)	$ (3,915)	$ (4,466)	$ (4,594)	$ (4,485)	$ (4,15
Wachovia ABL balance	$ 14,811	$ 15,409	$ 15,287	$ 15,287	$ 15,287	$ 15,510	$ 15,284	$ 15,077	$ 15,743	$ 15,951	$ 15,951	$ 15,95
Trailing 60-day cash	$ 25,042	$ 24,986	$ 24,694	$ 24,472	$ 23,977	$ 24,327	$ 24,677	$ 24,248	$ 24,517	$ 24,505	$ 24,253	$ 24,08
Eligible AR	$ 15,848	$ 15,807	$ 15,912	$ 16,242	$ 16,568	$ 16,682	$ 16,171	$ 16,275	$ 16,200	$ 16,184	$ 16,444	$ 16,44

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Summary Scenarios & Comparison

Scenario Summary Four Options	As of 12/31/16 2016 Revenues	As of 12/31/16 2016 Gross Margin	GM %	As of 12/31/16 2016 EBITDA	As of 12/31/16 2016 New Vehicles	As of 12/31/16 2016 Total Fleet	As of 12/31/16 2016 Total Cash Used
Scenario (1)a. Core Business Model 25% DP	$ 120,280,500	$38,648,553	32.1%	$6,940,945	40	148	$ 2,951,634
Scenario (1)b. Core Business Model - Purchase	$ 120,280,500	$38,648,553	32.1%	$6,940,945	40	148	$ 14,590,000
Variance (1)b. to Core Model (1)a. Better or (Worse)	$ -	$0	0.0%	$0	0	0	$ (11,638,366)
Scenario (2) - No New Vehicles	$ 72,205,076	$ 17,761,330	24.6%	$ (12,142,711)	0	108	$ -
Variance (2) to Core Model (1)a. Better or (Worse)	$ (48,075,424)	($20,887,223)	24.6%	($19,083,656)	(40)	(40)	$ 2,951,634
Scenario (3) - Bare Minimum - 20 New 911 (Purchase)	$ 79,959,300	$ 20,863,019	26.1%	$ (9,041,021)	20	128	$3,200,000
Variance (3) to Core Model (1)a. Better or (Worse)	$ (40,321,200)	($17,785,534)	1.5%	($15,981,967)	(20)	(20)	$ (248,366)
Scenario (4)a. 20 New 911 Vehicles & 50 - 25% DP	$ 99,344,861	$ 28,617,244	28.8%	$ (1,286,797)	70	178	$2,799,134
Variance (4)a. to Core Model (1)a. Better or (Worse)	$ (20,935,639)	($10,031,309)	27.3%	($8,227,742)	30	30	$ 152,500
Scenario (4)b. 20 New 911 Vehicles & 50 Purchase	$ 99,344,861	$ 28,617,244	28.8%	$ (1,286,797)	70	178	$7,550,000
Variance (4)b. to Core Model (1)a. Better or (Worse)	$ (20,935,639)	($10,031,309)	1.5%	($8,227,742)	30	30	$ (4,598,366)

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Four Scenarios

Scenario Summary of Options	Year End Dec-15	Budget Jan-16	Budget Feb-16	Budget Mar-16	Budget Apr-16	Budget May-16	Budget Jun-16	Budget Jul-16	Budget Aug-16	Budget Sep-16	Budget Oct-16	Budget Nov-16	Budget Dec-16	Year Ended 12/31/2016	Variance To Core Model
Scenario (1)a. Core Business Model - 118 New Vehicles - 25% Down Payment															
Quantity New Vehicles Funded	$ -	0	7	7	8	6	5	1	1	1	1	1	0	40	
Cash Used For Down Payment	$ -	$ -	$ 240,000	$ 240,000	$ 240,000	$ 240,000	$ 240,000	$ 240,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 2,040,000	
Cash Used For Principal & Interest	$ -	$ -	$ 17,241	$ 34,483	$ 54,597	$ 74,712	$ 85,488	$ 96,982	$ 99,856	$ 102,729	$ 105,603	$ 108,476	$ 131,465	$ 911,634	
Total Cash Used New Vehicles	$ -	$ -	$ 257,241	$ 274,483	$ 294,597	$ 314,712	$ 325,488	$ 336,982	$ 219,856	$ 222,729	$ 225,603	$ 228,476	$ 251,465	$ 2,951,634	
Total Vehicles In Service	206	198	197	177	182	187	189	182	175	168	161	154	148	148	
Revenue	$ 8,318,206	$ 8,672,000	$ 8,995,000	$ 9,174,500	$ 9,755,000	$ 10,067,000	$ 10,358,000	$ 10,342,000	$ 10,505,000	$ 10,543,000	$ 10,581,000	$ 10,644,000	$ 10,644,000	$ 120,280,500	
Gross Margin	$2,078,707	$2,422,711	$2,648,329	$2,869,232	$3,062,770	$3,291,954	$3,386,932	$3,420,896	$3,482,367	$3,485,706	$3,534,653	$3,550,225	$3,512,978	$38,648,553	
Percent GM	25.0%	27.9%	29.4%	31.3%	31.4%	32.7%	32.7%	33.1%	33.0%	33.1%	33.4%	33.4%	33.0%	32.1%	
EBITDA	($551,978)	($99,310)	$93,873	$278,625	$450,613	$656,031	$719,364	$754,760	$781,922	$793,588	$847,550	$853,116	$810,612	$6,940,945	
Accounts Payable	$13,297,502	$11,947,502	$11,227,502	$10,283,502	$10,077,832	$9,876,275	$9,678,750	$9,581,962	$9,486,143	$9,391,281	$9,297,368	$9,204,395	$9,112,351		
New Capital Contribution	2,028,000	4,179,239	300,000	0	0	0	0	0	0	0	0	0	0	$ 4,479,239	
Bank Loan Balance	17,467,864	16,934,895	17,336,889	17,741,544	17,775,401	19,769,585	18,927,832	18,574,866	18,020,307	19,002,425	18,658,761	18,085,246	17,750,749		
Scenario (1)b. Core Business Model - 118 New Vehicles - No Credit Purchase All															
Quantity New Vehicles Funded	$ -	$ -	$ 7	$ 7	$ 8	$ 8	$ 5	$ 1	$ 1	$ 1	$ 1	$ 1	$ -	$ 40	0
Cash Used For Down Payment	$ -	$ 5,790,000	$ 800,000	$ 800,000	$ 800,000	$ 800,000	$ 800,000	$ 800,000	$ 800,000	$ 800,000	$ 800,000	$ 800,000	$ 800,000	$ 14,590,000	
Cash Used For Principal & Interest	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Total Cash Used New Vehicles	$ -	$ 5,790,000	$ 800,000	$ 800,000	$ 800,000	$ 800,000	$ 800,000	$ 800,000	$ 800,000	$ 800,000	$ 800,000	$ 800,000	$ 800,000	$ 14,590,000	$ (11,638,366)
Total Vehicles In Service	$ 206	$ 198	$ 197	$ 177	$ 182	$ 187	$ 189	$ 182	$ 175	$ 168	$ 161	$ 154	$ 148	$ 148	0
Revenue	$ 8,318,206	$ 8,672,000	$ 8,995,000	$ 9,174,500	$ 9,755,000	$ 10,067,000	$ 10,358,000	$ 10,342,000	$ 10,505,000	$ 10,543,000	$ 10,581,000	$ 10,644,000	$ 10,644,000	$ 120,280,500	
Gross Margin	$2,078,707	$2,422,711	$2,648,329	$2,869,232	$3,062,770	$3,291,954	$3,386,932	$3,420,896	$3,482,367	$3,485,706	$3,534,653	$3,550,225	$3,512,978	$38,648,553	
Percent GM	25.0%	27.9%	29.4%	31.3%	31.4%	32.7%	32.7%	33.1%	33.0%	33.1%	33.4%	33.4%	33.0%	32.1%	
EBITDA	($551,978)	($99,310)	$93,873	$278,625	$450,613	$656,031	$719,364	$754,760	$781,922	$793,588	$847,550	$853,116	$810,612	$6,940,945	
Accounts Payable	$13,297,502	$11,947,502	$11,227,502	$10,283,502	$10,077,832	$9,876,275	$9,678,750	$9,581,962	$9,486,143	$9,391,281	$9,297,368	$9,204,395	$9,112,351		
New Capital Contribution	$2,028,000	$4,179,239	$300,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$ 4,479,239	
Added Capital Contribution Needed (1)b	$0	$ 1,610,761	$ 500,000	$ 800,000	$ 800,000	$ 800,000	$ 800,000	$ 800,000	$ 800,000	$ 800,000	$ 800,000	$ 800,000	$ 800,000	$ 10,110,761	
Required New Capital	$2,028,000	$5,790,000	$800,000	$800,000	$800,000	$800,000	$800,000	$800,000	$800,000	$800,000	$800,000	$800,000	$800,000	$14,590,000	$ (11,638,366)
Bank Loan Balance	$17,467,864	$16,934,895	$17,336,889	$17,741,544	$17,775,401	$19,769,585	$18,927,632	$18,574,866	$18,020,307	$19,002,425	$18,658,761	$18,085,246	$17,750,749		
Scenario (2) - No New Vehicles															
Total Vehicles In Service	206	198	190	183	160	157	154	146	138	130	122	114	108	108	-40
Revenue	$ 8,318,206	$ 5,545,426	$ 5,558,078	$ 5,324,864	$ 5,689,748	$ 5,922,730	$ 6,307,393	$ 6,256,938	$ 6,424,831	$ 6,356,530	$ 6,319,082	$ 6,298,596	$ 6,201,658	$ 72,205,076	$ (48,075,424)
Gross Margin	$2,078,707	$935,535	$934,839	$892,545	$1,079,707	$1,236,858	$1,694,948	$1,671,306	$1,817,828	$1,909,447	$1,900,761	$1,880,524	$1,807,030	$ 17,761,330	($20,887,223)
Percent GM	25.0%	16.9%	16.8%	16.8%	19.0%	20.9%	26.9%	26.7%	28.3%	30.0%	30.1%	29.9%	29.1%	24.6%	
EBITDA	($551,978)	($1,482,829)	($1,569,268)	($1,541,351)	($1,297,181)	($1,156,172)	($786,526)	($823,393)	($738,621)	($669,357)	($638,690)	($662,027)	($777,296)	$ (12,142,711)	($19,083,656)
Scenario (3) - Bare Minimum - Only 20 New 911 Vehicles (Purchase)															
Quantity New Vehicles Funded	0	20	0	0	0	0	0	0	0	0	0	0	0	20	-20
Cash Used For Down Payment	$0	$ 3,200,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$ 3,200,000	
Cash Used For Principal & Interest	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$ -	
Total Cash Used New Vehicles	$0	$3,200,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$3,200,000	$ (248,366)
Total Vehicles In Service	206	218	190	183	160	157	154	146	138	130	122	114	108	128	-20
Revenue	$ 8,318,206	$ 6,066,202	$ 6,088,234	$ 5,910,311	$ 6,304,706	$ 6,560,573	$ 6,959,361	$ 6,915,440	$ 7,118,080	$ 7,055,932	$ 7,030,424	$ 7,025,614	$ 6,924,425	$ 79,959,300	$ (40,321,200)
Gross Margin	$ 2,078,707	$1,143,845	$1,146,902	$1,126,724	$1,325,690	$1,491,996	$1,955,735	$1,935,107	$2,095,128	$2,189,207	$2,185,298	$2,171,331	$2,096,057	$ 20,863,019	($17,785,534)
Percent GM	25.0%	18.9%	18.8%	19.1%	21.0%	22.7%	28.1%	28.0%	29.4%	31.0%	31.1%	30.9%	30.3%	26.1%	
EBITDA	$ (551,978)	($1,274,519)	($1,357,205)	($1,307,173)	($1,051,197)	($901,535)	($525,739)	($559,592)	($481,321)	($389,597)	($354,153)	($371,220)	($488,270)	$ (9,041,021)	($15,981,967)
Scenario (4)a. 20 New 911 Vehicles and 50 Slightly Used - Credit Available 25% Down Payment															
Quantity New Vehicles Funded	0	20	50	0	0	0	0	0	0	0	0	0	0	70	30
Cash Used For Down Payment	$0	$ 800,000	$ 1,087,500	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$ 1,887,500	
Cash Used For Principal & Interest	$0	$ -	$ 17,241	$ 34,483	$ 54,597	$ 74,712	$ 85,488	$ 96,982	$ 99,856	$ 102,729	$ 105,603	$ 108,476	$ 131,465	$ 911,634	
Total Cash Used New Vehicles	$0	$800,000	$1,104,741	$34,483	$54,597	$74,712	$85,488	$96,982	$99,856	$102,729	$105,603	$108,476	$131,465	$2,799,134	($2,799,134)
Total Vehicles In Service	206	218	240	233	230	227	224	216	208	200	192	184	178	178	30

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Four Scenarios

Revenue	$ 8,318,206	$ 7,368,140	$ 7,413,625	$ 7,373,928	$ 7,842,101	$ 8,155,178	$ 8,589,279	$ 8,564,195	$ 8,851,203	$ 8,804,436	$ 8,808,779	$ 8,843,158	$ 8,730,841	$ 99,344,861	$ (20,935,639)
Gross Margin	$ 2,078,707	$1,664,620	$1,677,058	$1,712,170	$1,940,848	$2,129,838	$2,607,702	$2,594,609	$2,788,377	$2,888,609	$2,898,840	$2,898,349	$2,818,623	$ 28,617,244	($10,631,309)
Percent GM	25.0%	22.6%	22.6%	23.2%	24.7%	26.1%	30.4%	30.3%	31.5%	32.8%	32.9%	32.8%	32.3%	28.8%	
EBITDA	$ (551,978)	($753,744)	($827,049)	($721,726)	($436,239)	($263,193)	$126,228	$99,910	$231,928	$309,805	$357,189	$355,797	$234,297	$ (1,286,797)	($8,227,742)

Scenario (4)a. 20 New 911 Vehicles and 50 Slightly Used - No Credit - Purchase Only

Quantity New Vehicles Funded	0	20	50	0	0	0	0	0	0	0	0	0	0	70	30
Cash Used For Down Payment	$0	$ 3,200,000	$ 4,350,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,550,000	
Cash Used For Principal & Interest	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$ -	
Total Cash Used New Vehicles	$0	$3,200,000	$4,350,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$7,550,000	($7,550,000)
Total Vehicles In Service	206	216	240	233	230	227	224	216	208	200	192	184	176	176	30

Revenue	$ 8,318,206	$ 7,368,140	$ 7,413,625	$ 7,373,928	$ 7,842,101	$ 8,155,178	$ 8,589,279	$ 8,564,195	$ 8,851,203	$ 8,804,436	$ 8,808,779	$ 8,843,158	$ 8,730,841	$ 99,344,861	$ (20,935,639)
Gross Margin	$ 2,078,707	$1,664,620	$1,677,058	$1,712,170	$1,940,848	$2,129,838	$2,607,702	$2,594,609	$2,788,377	$2,888,609	$2,898,840	$2,898,349	$2,818,623	$ 28,617,244	($10,631,309)
Percent GM	25.0%	22.6%	22.6%	23.2%	24.7%	26.1%	30.4%	30.3%	31.5%	32.8%	32.9%	32.8%	32.3%	28.8%	
EBITDA	$ (551,978)	($753,744)	($827,049)	($721,726)	($436,239)	($263,193)	$126,228	$99,910	$231,928	$309,805	$357,189	$355,797	$234,297	$ (1,286,797)	($8,227,742)

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3

BUDGET 2016

2016 Major Model Assumptions:

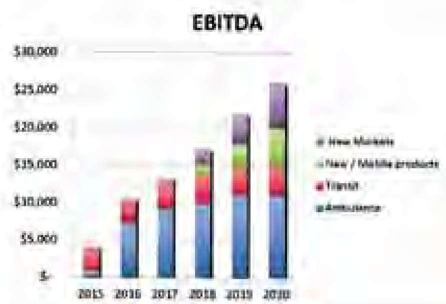
- Credit Agreement must be renewed with Wells Fargo beyond **1/31/2016 expiration date,** provided Ownership puts in new funding by e
- **Peak Working Capital Needed by 3/2016 is $7.8MM requiring critical funding** by ownership, and necessary for extension of Credit A
    - **Funding of $4.4MM** provided to company to **lease 118** vehicles needed to stay operational & profitable
    - **Funding of $2MM provided to pay down critical outstanding Accounts Payable** to be able to operate without imminent threat of
    - **Net Funding After Interest is + $4.1MM**, as Company pays PPAS interest of $3.7MM
    - **The Model DOES NOT provide for funding improved Financial & Billing systems that need to be replaced**
- **New Leases for a Total of 118 Vehicles are Planned**
    - 20 new Type 3 (911 related) leases in 2016.
    - 50 slightly used Type 2 will be leased in **January 2016** to replace fleet and capture additional demand for our services
    - 48 Type 2 new vehicles will be leased at 4 per month in 2016 January to December
    - **MODEL ASSUMES COMPANY CAN OBTAIN CREDIT & NEED DPWN PAYMENT of 25%**
- To get credit for New Leases will require 100% Letter of Credit plus DP of 30% until **Wells Fargo Credit Agreement** is signed proving co shut-down when current agreement expires on **1/31/2016. Other option is to BUY VEHICLES**

5 Year Forecast

		2015	2016	2017	2018	2019	2020
Ambulance	Revenues	$ 85,000	$ 89,000	$ 98,000	$ 100,000	$ 105,000	$ 90,000
	EBITDA	$ 1,000	$ 7,300	$ 9,200	$ 10,000	$ 11,000	$ 11,000
Transit	Revenues	$ 30,000	$ 26,000	$ 36,000	$ 37,000	$ 37,000	$ 38,000
	EBITDA	$ 3,000	$ 3,000	$ 3,500	$ 3,700	$ 3,700	$ 3,800
New / Mobile	Revenues	$ –	$ 2,000	$ 6,000	$ 12,000	$ 25,000	$ 35,000
	EBITDA	$ –	$ 150	$ 600	$ 1,500	$ 3,125	$ 5,250
New Markets	Revenues	$ –	$ -	$ –	$ 20,000	$ 40,000	$ 60,000
	EBITDA	$ –	$ –	$ –	$ 2,000	$ 4,000	$ 6,000
Combined	Revenues	$115,000	$ 117,000	$ 140,000	$ 169,000	$ 207,000	$ 223,000
	EBITDA	$ 1,365	$ 6,941	$ 13,300	$ 17,200	$ 21,825	$ 26,050

		2015	2016	2017	2018	2019	2020	ALL
Revenues	Ambulance	$ 85,500	$ 89,000	$ 98,000	$ 100,000	$ 105,000	$ 90,000	$ 567,000
	Transit	$ 30,000	$ 26,000	$ 36,000	$ 37,000	$ 37,000	$ 38,000	$ 204,000
	New / Mobile products	$ –	$ 2,000	$ 6,000	$ 12,000	$ 25,000	$ 35,000	$ 80,000
	New Markets	$ –	$ -	$ -	$ 20,000	$ 40,000	$ 60,000	$ 120,000
	Total	$ 115,000	$ 117,000	$ 140,000	$ 169,000	$ 207,000	$ 223,000	$ 971,000

		2015	2016	2017	2018	2019	2020	ALL
EBITDA	Ambulance	$ 1,000	$ 7,300	$ 9,200	$ 10,000	$ 11,000	$ 11,000	$ 49,500
	Transit	$ 3,000	$ 3,000	$ 3,500	$ 3,700	$ 3,700	$ 3,800	$ 20,700
	New / Mobile products	$ –	$ 150	$ 600	$ 1,500	$ 3,125	$ 5,250	$ 10,625
	New Markets	$ –	$ -	$ -	$ 2,000	$ 4,000	$ 6,000	$ 12,000
	Total	$ 4,000	$ 10,450	$ 13,300	$ 17,200	$ 21,825	$ 26,050	$ 92,825



$ 1,365
$ 20,050

71.1%

CM_TC2018_0003376

Fleet & Lease Assumptions In The Model:

New Leases - Type 3 - Must Have to Keep 911 Business ASAP

1) Lease 20 New Type 3 911 Medix Vehicles Using Funds From Investor for 1st 4
   a) 4 New Type 3 in December
   b) 16 New Type 3 in 2016 calendar year
      i) 12 new leases at 2 per month in first six months - January thru June 2016
      i) 4 more over the second six months of July thru December 2016

Type 3 Model - New Vehicles	Cost Per Vehicle	Quantity Leased 2015	Quantity Leased 2016	Total 2015 & 2016
Vehicle Cost Type III (911)	$ 160,000	0	20	$ 3,200,000
Down Payment	25%			
Amount Down - payment	$ 40,000			$ 1,320,000
Financed	$ 120,000			$ 1,880,000
Interest Rate	7%			7%
Annual Interest Payment	$ 5,219			$ 104,371.74
Annual Lease payment	$ 17,806			$ 356,114.54
Monthly Lease Period	48			48
ANNUAL CASH OUTFLOW	$ 89,024			$ 1,780,486.28

New Leases - Type 2 - Fund Over 2016

1) Lease 48 New Type 2 Vehicles
   a) Lease 4 New Type 2 Each Month Over 2016

Type 2 Model - New Vehicles	Cost Per Vehicle	Quantity Leased 2015	Quantity Leased 2016	Total 2015 & 2016
Vehicle Cost Type II	$ 120,000	0	20	$ 2,880,000
Down Payment	25%			
Amount Down - payment	$ 30,000			$ 720,000
Financed	$ 90,000			$ 2,160,000
Interest Rate	7%			7%
Annual Interest Payment				$ 102,185
Annual Lease payment				$ 348,962
Monthly Lease Period	48			
ANNUAL CASH OUTFLOW				$ 1,171,147

New Leases - Type 2 - Slightly Used

1) Lease 50 Slighly Used Type 2 Vehicles
   a) 50 in December using funds from investor

Type 2 - Slightly Used Vehicles	Cost Per Vehicle	Quantity Leased 2015	Quantity Leased 2016	Total 2015 & 2016
Vehicle Cost Type II	$ 87,000	0	50	$ -
Down Payment	25%			
Amount Down - payment	$ 21,750			$ -
Financed	$ 65,250			$ -
Interest Rate	7%			7%
Annual Interest Payment				$ -
Annual Lease payment				$ -
Monthly Lease Period	48			
ANNUAL CASH OUTFLOW				$ -
NUMBER OF NEW LEASES BY YEAR		[illegible]	[illegible]	
TOTAL NEW LEASES			[illegible]	

Cash By Day - FY 2016

	D	AOL	AOM	AON	AOO	AOP	AOQ	AOR	AOS	AOT	AOU	AOV	AOW	AOX	AOY	AOZ	APA	APB	APC	APD
2	Weekly Cash (excl Transit)			$ 1,550							$ 1,500							$ 1,750		
3	13-Week Average			$ 1,660							$ 1,658							$ 1,645		
4																				
6																				
7	TransCare Corporation	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri
8	Daily Cash Plan	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5
9		07/06/15	07/07/15	07/08/15	07/09/15	07/10/15	07/11/15	07/12/15	07/13/15	07/14/15	07/15/15	07/16/15	07/17/15	07/18/15	07/19/15	07/20/15	07/21/15	07/22/15	07/23/15	07/24/15
10	PLAN (Based on Release Date)																			
11	Receipts			$ 650																
12	Daily sweep - lance	$ 500	$ 93	$ 704	$ 127	$ 127	$ -	$ -	$ 550	$ 250	$ 150	$ 275	$ 275	$ -	$ -	$ 350	$ 350	$ 350	$ 350	$ 350
13	Daily sweep - paratransit			$ 2,523			$ -	$ -				$ 1,480		$ -	$ -					
14	TOTAL RECEIPTS	$ 500	$ 93	$ 3,876	$ 127	$ 127	$ -	$ -	$ 550	$ 250	$ 150	$ 1,755	$ 275	$ -	$ -	$ 350	$ 350	$ 350	$ 350	$ 350
15																				
16	Disbursements																			
17	Payroll																			
18	Wages and employer taxes			$ 931	$ 985							$ 1,480				$ -			$ 1,450	$ 500
19	Montefiore																			
20	Employee benefits																			
21	Paid by check											15							15	
22	Wire				$ 11	$ 15							$ 15					$ 400		$ 15
23	Total payroll	$ -	$ -	$ 931	$ 996	$ 15	$ -	$ -	$ -	$ -	$ -	$ 1,495	$ 15	$ -	$ -	$ -	$ -	$ 400	$ 1,465	$ 515
24																				
25	Insurance (Auto, WC, Liab)																			
26	Type																			
27	Paid by check									$ 27		56	$ 30							
28	Wire								$ 13											
29	Total insurance payments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 13	$ 27	$ -	$ 55	$ 30	$ -	$ -	$ -	$ -	$ -	$ -	$ -
30																				
31	Debt interest																			
32	Fairwatch			$ 225																
33	Wells Fargo								$ 35											
34	Total debt interest	$ -	$ -	$ 225	$ -	$ -	$ -	$ -	$ 35	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
35																				
36	Other disbursements																			
37	Comments																			
38	Rent																			
39	Vehicle & Equipment lease payments																		-	13
40	ACH Wires (auto debits- WEX, leases)	$ 2	$ 28	$ 2	$ 18	$ 18										$ 28	$ 28	$ 18	$ 18	$ 18
41	Vehicle down payments																			
42	AP-OH (vendor pp, util, small,exp, ck req & other recurring)					11	-	-					50	-	-		90		50	
43	Total other disbursements	$ 2	$ 28	$ 2	$ 18	$ 29	$ -	$ -	$ -	$ -	$ -	$ -	$ 50	$ -	$ -	$ 28	$ 118	$ 18	$ 68	$ 31
44																				
45	TOTAL DISBURSEMENTS	$ 2	$ 28	$ 1,158	$ 1,014	$ 44	$ -	$ -	$ 48	$ 27	$ -	$ 1,550	$ 95	$ -	$ -	$ 28	$ 118	$ 418	$ 1,533	$ 546
46																				
47	CHANGE IN BOOK CASH	$ 498	$ 65	$ 2,718	$ (887)	$ 83	$ -	$ -	$ 502	$ 223	$ 150	$ 205	$ 180	$ -	$ -	$ 322	$ 233	$ (68)	$ (1,183)	$ (196)
48	Weekly change in cash					2,477							1,260							(893)
49	END OF DAY AVAILABILITY——>	$ 879	$ 1,309	$ 1,332	$ 419	$ 5	$ (832)	$ (832)	$ (374)	$ (75)	$ 208	$ 455	$ 2,200	$ 2,638	$ 2,880	$ 3,542	$ 3,584	$ 3,288	$ 2,068	$ 1,869
127	Calculation of BBC																			
128																				
129	Trailing 60-day receipts (as of 1Feb13)	20,449	20,942	9,006	23,622	23,363	20,811	$ 20,861	20,641	20,891	20,756	22,369	22,160	21,460	$ 21,020	21,870	22,220	21,798	21,968	21,926
130																				
131	Beginning Eligible AR	18,320	17,820	18,057	15,366	15,740	14,848	$ 14,209	14,208	13,988	14,068	14,248	15,783	17,338	$ 11,668	17,998	17,978	17,958	17,938	17,918
132	Revenue		$ 330	$ 535	$ 500				$ 330	$ 330	$ 330	$ 330	$ 330	$ 330	$ 330	$ 330	$ 330	$ 330	$ 330	$ 330
133	Payments (sweep that paid down loan)	(500)	(93)	17,399	(127)	(127)	-	$ -	(550)	(250)	(150)	15,520	(275)		$ -	(350)	(350)	(350)	(350)	(350)
134	Plug (Wachovia AR & HSBC)					(105)							1,500							
135	Forecasted Changes in Billing					(680)	(640)													
136	Ending Eligible AR	$ 17,820	$ 18,057	$ 15,366	$ 15,740	$ 14,848	$ 14,209	$ 14,209	$ 13,988	$ 14,068	$ 14,248	$ 15,783	$ 17,338	$ 17,668	$ 17,998	$ 17,978	$ 17,958	$ 17,938	$ 17,918	$ 17,898
137																				
138	Lesser of Trailing 60-day cash or eligible AR or $22,500	$ 17,820	$ 18,057	$ 15,366	$ 15,740	$ 14,848	$ 14,209	$ -	$ 13,988	$ 14,068	$ 14,248	$ 15,783	$ 17,338	$ 17,668	$ -	$ 17,978	$ 17,958	$ 17,938	$ 17,918	$ 17,898
139	Eligibility variance	$ -	$ -	$ -	$ -	$ -	$ 640	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
140																				
141																				
142	Beginning Loan Balance	$ 17,341	$ 16,841	$ 16,749	$ 14,034	$ 14,921	$ 14,840	$ 14,840	$ 14,840	$ 14,362	$ 14,138	$ 14,040	$ 15,328	$ 15,138	$ 15,138	$ 15,138	$ 14,896	$ 14,574	$ 14,732	$ 15,850
143	Receipts (paydown)	(500)	(93)	(3,876)	(127)	(127)	-	-	(550)	(250)	(150)	-	(275)	-	-	-	(350)	(350)	(350)	(350)
144	Borrowings	-	-	226	1,014	46	-	-	72	26	53	1,563	85	-	-	108	28	508	1,468	588
145	Ending Loan Balance	$ 16,841	$ 16,749	$ 14,034	$ 14,921	$ 14,840	$ 14,840	$ 14,840	$ 14,362	$ 14,138	$ 14,040	$ 15,328	$ 15,138	$ 15,138	$ 15,138	$ 14,896	$ 14,574	$ 14,732	$ 15,850	$ 16,088
146																				
147	END OF DAY AVAILABILITY——>	$ 879	$ 1,309	$ 1,332	$ 419	$ 5	$ (832)	$ [illegible]	$ (374)	$ (75)	$ 208	$ (1,760)	$ 2,200	$ 2,638	$ [illegible]	$ 3,542	$ 3,584	$ 3,288	$ 2,068	$ 1,869

Cash By Day - FY 2016

	D	APE	APF	APG	APH	API	APJ	APK	APL	APM	APN	APO	APP	APQ	APR	APS	APT
2	Weekly Cash (excl Transit)					$ 1,950							$ 1,456				
3	13-Week Average					$ 1,655							$ 1,619				
4																	
6																	
7	TransCare Corporation	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun
8	Daily Cash Plan	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7
9		07/25/15	07/26/15	07/27/15	07/28/15	07/29/15	07/30/15	07/31/15	08/01/15	08/02/15	08/03/15	08/04/15	08/05/15	08/06/15	08/07/15	08/08/15	08/09/15
10	PLAN (Based on Release Date)																
11	Receipts																
12	Daily sweep - lance	$ -	$ -	$ 350	$ 350	$ 350	$ 550	$ 350	$ -	$ -	$ 313	$ 184	$ 414	$ 320	$ 225	$ -	$ -
13	Daily sweep - paratransit	$ -	$ -						$ -	$ -			$ 2,535			$ -	$ -
14	TOTAL RECEIPTS	$ -	$ -	$ 350	$ 350	$ 350	$ 550	$ 350	$ -	$ -	$ 313	$ 184	$ 2,949	$ 320	$ 225	$ -	$ -
15																	
16	Disbursements																
17	Payroll																
18	Wages and employer taxes						$ 950	$ 1,000						$ 900			
19	Montefiore																
20	Employee benefits						Benefits run-out	[illegible]						Benefits run-out	[illegible]		
21	Paid by check						15							15			
22	Wire							$ 15							$ 15		
23	Total payroll	$ -	$ -	$ -	$ -	$ -	$ 965	$ 1,015	$ -	$ -	$ -	$ -	$ -	$ 915	$ 15	$ -	$ -
24																	
25	Insurance (Auto, WC, Liab)																
26	Type			Zurich DP	[illegible]		[illegible]	NY WC - JULY			[illegible]						
27	Paid by check							650									
28	Wire			$ 107	$ 234		$ 158	$ 136			$ 13						
29	Total insurance payments	$ -	$ -	$ 107	$ 234	$ -	$ 158	$ 786	$ -	$ -	$ 13	$ -	$ -	$ -	$ -	$ -	$ -
30																	
31	Debt interest																
32	Patriarch											$ 335					
33	Wells Fargo							$ 85									
34	Total debt interest	$ -	$ -	$ -	$ -	$ -	$ -	$ 85	$ -	$ -	$ -	$ 335	$ -	$ -	$ -	$ -	$ -
35																	
36	Other disbursements																
37	Comments			EZ PASS							[illegible]						
38	Rent																
39	Vehicle & Equipment lease payments				93												
40	ACH Wires (auto debits- WEX, leases)			$ 28	$ 28	$ 18	$ 18	$ 18			$ 28	$ 28	$ 18	$ 18	$ 18		
41	Vehicle down payments																
42	AP-OH (vendor pp, util, small exp, ck req & other recurring)	-	-	47		75			-	-				55	15	-	-
43	Total other disbursements	$ -	$ -	$ 75	$ 121	$ 93	$ 18	$ 18	$ -	$ -	$ 28	$ 28	$ 18	$ 73	$ 33	$ -	$ -
44																	
45	TOTAL DISBURSEMENTS	$ -	$ -	$ 182	$ 355	$ 93	$ 1,141	$ 1,904	$ -	$ -	$ 41	$ 363	$ 18	$ 988	$ 48	$ -	$ -
46																	
47	CHANGE IN BOOK CASH	$ -	$ -	$ 168	$ (5)	$ 257	$ (591)	$ (1,554)	$ -	$ -	$ 272	$ (179)	$ 2,931	$ (668)	$ 177	$ -	$ -
48	Weekly change in cash							(1,724)							2,533		
49	END OF DAY AVAILABILITY——>	$ 2,130	$ 2,469	$ 2,643	$ 2,664	$ 2,883	$ 1,812	$ 673	$ 673	$ 1,203	$ 812	$ 354	$ 1,037	$ 398	$ 625	$ 968	$ 1,291
127	Calculation of BBC																
128																	
129	Trailing 60-day receipts (as of 1Feb13)	21,738	$ 21,627	21,877	22,227	22,577	22,615	22,562	20,324	$ 22,208	22,521	22,705	25,042	24,988	24,694	24,472	$ 27,877
130																	
131	Beginning Eligible AR	17,898	$ 18,228	18,558	18,538	18,518	18,498	18,078	18,058	$ 18,058	18,388	18,075	17,996	15,848	15,807	15,912	$ 16,242
132	Revenue	$ 330	$ 330	$ 330	$ 330	$ 330	$ 130	$ 330	$ 943	$ 330		$ 105	$ 801	$ 279	$ 330	$ 330	$ 326
133	Payments (sweep that paid down loan)	-	$ -	(350)	(350)	(350)	(550)	(350)	-	$ -	(313)	(184)	(2,949)	(320)	(225)	-	$ -
134	Plug (Wachovia AR & HSBC)								(943)								
135	Forecasted Changes in Billing																
136	Ending Eligible AR	$ 18,228	$ 18,558	$ 18,538	$ 18,518	$ 18,498	$ 18,078	$ 18,058	$ 18,058	$ 18,388	$ 18,075	$ 17,996	$ 15,848	$ 15,807	$ 15,912	$ 16,242	$ 16,568
137																	
138	Lesser of Trailing 65-day cash or eligible AR or $22,500	$ 18,228	$	$ 18,538	$ 18,518	$ 18,498	$ 18,078	$ 18,058	$ 18,058	$ -	$ 18,075	$ 17,996	$ 15,848	$ 15,807	$ 15,912	$ 16,242	$ -
139	Eligibility variance	$	$	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
140																	
141																	
142	Beginning Loan Balance	$ 16,098	$ 16,098	$ 16,098	$ 15,895	$ 15,854	$ 15,615	$ 16,266	$ 17,185	$ 17,185	$ 17,185	$ 17,563	$ 17,742	$ 14,811	$ 15,409	$ 15,287	$ 15,287
143	Receipts (paydown)	-	-	-	(350)	(350)	(550)	(350)	-	-	(313)	(184)	(2,949)	(320)	(225)	-	-
144	Borrowings	-	-	148	309	111	1,201	1,269	-	-	691	363	18	918	103	-	-
145	Ending Loan Balance	$ 16,098	$ 16,098	$ 15,895	$ 15,854	$ 15,615	$ 16,266	$ 17,185	$ 17,185	$ 17,185	$ 17,563	$ 17,742	$ 14,811	$ 15,409	$ 15,287	$ 15,287	$ 15,287
146																	
147	END OF DAY AVAILABILITY——>	$ 2,130	$ -	$ 2,643	$ 2,664	$ 2,883	$ 1,812	$ 673	$ 673	$	$ 812	$ 354	$ 1,037	$ 398	$ 625	$ 695	$

Cash By Day - FY 2016

	D	APU	APV	APW	APX	APY	APZ	AQA	AQB	AQC	AQD	AQE	AQF	AQG	AQH	AQI	AQJ
2	Weekly Cash (excl Transit)			$ 1,645							$ 1,625						
3	13-Week Average			$ 1,626							$ 1,617						
4																	
6																	
7	TransCare Corporation	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue
8	Daily Cash Plan	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2
9		08/10/15	08/11/15	08/12/15	08/13/15	08/14/15	08/15/15	08/16/15	08/17/15	08/18/15	08/19/15	08/20/15	08/21/15	08/22/15	08/23/15	08/24/15	08/25/15
10	PLAN (Based on [illegible] Date)																
11	Receipts																
12	Daily sweep - lance	$ 350	$ 350	$ 175	$ 420	$ 350	$ -	$ -	$ 350	$ 350	$ 175	$ 375	$ 375	$ -	$ -	$ 350	$ 125
13	Daily sweep - paratransit						$ -	$ -						$ -	$ -		
14	TOTAL RECEIPTS	$ 350	$ 350	$ 175	$ 420	$ 350	$ -	$ -	$ 350	$ 350	$ 175	$ 375	$ 375	$ -	$ -	$ 350	$ 125
15																	
16	Disbursements																
17	Payroll																
18	Wages and employer taxes	$ 500			$ 350	505						$ 925	$ 235			$ 270	
19	Montefiore																
20	Employee benefits											Benefits run out					
21	Paid by check					$ 400						15					
22	Wire					$ 15							$ 15				
23	Total payroll	$ 500	$ -	$ -	$ 950	$ 920	$ -	$ -	$ -	$ -	$ -	$ 940	$ 250	$ -	$ -	$ 270	$ -
24																	
25	Insurance (Auto, WC, Liab)																
26	Type			PA WC (4 of 12)									MS - WC (5 of 10)				
27	Paid by check			55									33				
28	Wire																
29	Total insurance payments	$ -	$ -	$ 55	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 33	$ -	$ -	$ -	$ -
30																	
31	Debt interest																
32	Patriarch					$ 20											
33	Wells Fargo	$ 30															
34	Total debt interest	$ 30	$ -	$ -	$ -	$ 20	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
35																	
36	Other disbursements																
37	Comments																
38	Rent																
39	Vehicle & Equipment lease payments			13									73				
40	ACH Wires (auto debits- WEX, leases)	$ 28	$ 28	$ 18	$ 18	$ 18			$ 28	$ 28	$ 18	$ 18	$ 18			$ 28	$ 28
41	Vehicle down payments																
42	AP-OH (vendor pp, util, small exp, ck req & other recurring)	47		50			-	-					75	-	-		
43	Total other disbursements	$ 75	$ 28	$ 81	$ 18	$ 18	$ -	$ -	$ 28	$ 28	$ 18	$ 18	$ 166	$ -	$ -	$ 28	$ 28
44																	
45	TOTAL DISBURSEMENTS	$ 605	$ 28	$ 136	$ 968	$ 958	$ -	$ -	$ 28	$ 28	$ 18	$ 958	$ 449	$ -	$ -	$ 298	$ 28
46																	
47	CHANGE IN BOOK CASH	$ (255)	$ 323	$ 39	$ (548)	$ (608)	$ -	$ -	$ 322	$ 323	$ 157	$ (583)	$ (74)	$ -	$ -	$ 52	$ 98
48	Weekly change in cash					(1,050)			1,172	640	1,199	1,447	148				
49	END OF DAY AVAILABILITY ——>	$ 1,172	$ 937	$ 1,196	$ 457	$ 233	$ 493	$ 493	$ 721	$ 904	$ 816	$ 233	$ 217	$ 347	$ 877	$ 797	$ 832
127	Calculation of BBC																
128																	
129	Trailing 60-day receipts (as of 1Feb13)	24,327	24,677	24,245	24,517	24,505	24,253	$ 24,684	24,434	24,784	21,992	22,246	22,269	22,141	$ 21,938	22,188	22,313
130																	
131	Beginning Eligible AR	16,568	16,682	16,171	16,273	16,200	16,184	$ 16,444	16,444	16,750	16,243	16,398	16,383	16,275	$ 16,605	16,906	16,984
132	Revenue	$ 464		$ 277	$ 347	$ 84	$ 260		$ 656	$ (157)	$ 330	$ 360	$ 267	$ 330	$ 330	$ 398	$ 562
133	Payments (sweep that paid down loan)	15,287	(350)	(175)	(420)	(350)	-	$ -	(350)	(350)	(175)	(375)	(375)		$ -	16,058	(125)
134	Plug (Wachovia AR & HSBC)		(161)														
135	Forecasted Changes in Billing																
136	Ending Eligible AR	$ 16,682	$ 16,171	$ 16,273	$ 16,200	$ 16,184	$ 16,444	$ 16,444	$ 16,750	$ 16,243	$ 16,398	$ 16,383	$ 16,275	$ 16,605	$ 16,935	$ 16,984	$ 17,021
137																	
138	Lesser of Trailing 65-day cash or eligible AR or $22,500	$ 16,682	$ 16,171	$ 16,273	$ 16,200	$ 16,184	$ 16,444	$ -	$ 16,750	$ 16,243	$ 16,398	$ 16,383	$ 16,275	$ 16,605	$ -	$ 16,984	$ 17,021
139	Eligibility variance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
140																	
141																	
142	Beginning Loan Balance	$ 15,287	$ 15,510	$ 15,234	$ 15,077	$ 15,743	$ 15,951	$ 15,951	$ 15,951	$ 16,029	$ 15,739	$ 15,582	$ 16,150	$ 16,058	$ 16,058	$ 16,058	$ 16,187
143	Receipts (paydown)	(350)	(350)	(175)	(420)	(350)	-	-	(350)	(350)	(175)	(375)	(375)	-	-	(350)	(125)
144	Borrowings	573	75	18	1,086	558	-	-	428	60	18	943	283	-	-	479	28
145	Ending Loan Balance	$ 15,510	$ 15,234	$ 15,077	$ 15,743	$ 15,951	$ 15,951	$ 15,951	$ 16,029	$ 15,739	$ 15,582	$ 16,150	$ 16,058	$ 16,058	$ 16,058	$ 16,187	$ 16,089
146																	
147	END OF DAY AVAILABILITY ——>	$ 1,172	$ 937	$ 1,196	$ 457	$ 233	$ 493	$ -	$ 721	$ 904	$ 816	$ 233	$ 217	$ 347		$ 797	$ 832

Cash By Day - FY 2016

	D	AQK	AQL	AQM	AQN	AQO	AQP	AQQ	AQR	AQS	AQT	AQU	AQV	AQW	AQX	AQY	AQZ
2	Weekly Cash (excl Transit)	1,500							1,683							2,026	
3	13-Week Average	1,835							1,592							1,629	
4																	
6																	
7	TransCare Corporation	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu
8	Daily Cash Plan	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4
9		08/26/15	08/27/15	08/28/15	08/29/15	08/30/15	08/31/15	09/01/15	09/02/15	09/03/15	09/04/15	09/05/15	09/06/15	09/07/15	09/08/15	09/09/15	09/10/15
10	PLAN (Based on Release Date)																
11	Receipts																
12	Daily sweep - tmce	125	550	350	-	-	475	350	350	250	240	-	-		609	110	1,148
13	Daily sweep - paratransit				-	-					2,443	-	-				
14	TOTAL RECEIPTS	125	550	350	-	-	475	350	350	250	2,683	-	-	-	609	110	1,148
15																	
16	Disbursements																
17	Payroll																
18	Wages and employer taxes		920	500						524	502						564
19	Montefiore																
20	Employee benefits		Benefits run-out	[illegible]						Benefits run-out							Benefits run-out
21	Paid by check			15						15							15
22	Wire			15							15						
23	Total payroll	-	920	530	-	-	-	-	-	539	517	-	-	-	-	-	579
24																	
25	Insurance (Auto, WC, Liab)																
26	Type		Zurich												Zurich		
27	Paid by check														157		
28	Wire		21														
29	Total insurance payments	-	21	-	-	-	-	-	-	-	-	-	-	-	157	-	-
30																	
31	Debt interest																
32	Patriarch										150						
33	Wells Fargo						65										
34	Total debt interest	-	-	-	-	-	65	-	-	-	150	-	-	-	-	-	-
35																	
36	Other disbursements																
37	Comments						EZ PASS							EZ PASS			
38	Rent																
39	Vehicle & Equipment lease payments			86													
40	ACH Wires (auto debits- WEX, leases)	18	18	18			28	28	18	18	18			28	28	18	18
41	Vehicle down payments																
42	AP-CH (vendor pp, util, small,exp, ck req & other recurring)			25	-	-					22	-	-		47	55	88
43	Total other disbursements	18	18	129	-	-	28	28	18	18	40	-	-	28	75	73	106
44																	
45	TOTAL DISBURSEMENTS	18	939	659	-	-	113	28	18	957	907	-	-	28	232	73	1,685
46																	
47	CHANGE IN BOOK CASH	107	(409)	(309)	-	-	362	323	332	(707)	1,776	-	-	(28)	378	46	63
48	Weekly change in cash			(482)							2,089						
49	END OF DAY AVAILABILITY——>	1,398	533	107	107	107	273	888	940	339	103	243	483	862	886	1,181	492
127	Calculation of EOC																
128																	
129	Trailing 65-day receipts (as of 1Feb13)	22,017	22,412	22,407	22,181	21,698	22,373	22,723	22,631	22,752	25,060	24,598	24,277	24,271	24,880	24,499	25,554
130																	
131	Beginning Eligible AR	17,021	17,280	16,924	16,767	16,767	16,767	16,611	16,904	16,624	16,715	14,696	14,836	15,056	15,605	15,113	15,345
132	Revenue	384	194	193			319	643	70	341	664	140	220	549	117	351	258
133	Payments (sweep that paid down loan)	(125)	(550)	(350)	-	-	16,660	(350)	(350)	(250)	(2,683)	-	-	-	(609)	14,218	(1,148)
134	Plug (Wachovia AR & HSBC)																
135	Forecasted Changes in Billing																
136	Ending Eligible AR	17,280	16,924	16,767	16,767	16,767	16,611	16,904	16,624	16,715	14,696	14,836	15,056	15,605	15,113	15,345	14,455
137																	
138	Lesser of Trailing 65-day cash or eligible AR or $22,500	17,280	16,924	16,767	16,767	-	16,611	16,904	16,624	16,715	14,696	14,836	-	15,605	15,113	15,345	14,455
139	Eligibility variance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
140																	
141																	
142	Beginning Loan Balance	16,069	15,962	16,391	16,860	16,860	16,860	16,338	16,016	15,684	16,376	14,593	14,593	14,593	14,643	14,218	14,164
143	Receipts (paydown)	(125)	(550)	(350)	-		(475)	(350)	(350)	(250)	(2,683)	-	-	-	(609)	(119)	(1,148)
144	Borrowings	18	959	819	-		153	28	18	942	900	-	-	50	185	65	1,037
145	Ending Loan Balance	15,962	16,391	16,860	16,860	16,860	16,338	16,016	15,684	16,376	14,593	14,593	14,593	14,643	14,218	14,164	14,053
146																	
147	END OF DAY AVAILABILITY——>	1,398	533	107	107	[illegible]	273	888	940	339	103	243	[illegible]	862	886	1,181	492

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Cash By Day - FY 2016

	D	ARA	ARB	ARC	ARD	ARE	ARF	ARG	ARH	ARI	ARJ	ARK	ARL	ARM	ARN	ARO	ARP
2	Weekly Cash (excl Transit)						$ 1,674							$ 1,123			
3	13-Week Average						$ 1,655							$ 1,631			
4																	
6																	
7	TransCare Corporation	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat
8	Daily Cash Plan	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6
9		09/11/15	09/12/15	09/13/15	09/14/15	09/15/15	09/16/15	09/17/15	09/18/15	09/19/15	09/20/15	09/21/15	09/22/15	09/23/15	09/24/15	09/25/15	09/26/15
10	PLAN (Based on Release Date)																
11	Receipts																
12	Daily sweep - lance	$ 150	$ -	$ -	$ 350	$ 350	$ 350	$ 274	$ 350	$ -	$ -	$ 415	$ 129	$ 80	$ 374	$ 125	$ -
13	Daily sweep - paratransit		$ -	$ -		$ -				$ -	$ -		$ -				$ -
14	TOTAL RECEIPTS	$ 150	$ -	$ -	$ 350	$ 350	$ 350	$ 274	$ 350	$ -	$ -	$ 415	$ 129	$ 80	$ 374	$ 125	$ -
15																	
16	Disbursements																
17	Payroll																
18	Wages and employer taxes	$ 522															
19	Montefiore							$ 960	[illegible]			$ 500			$ 885		
20	Employee benefits	[illegible]						Benefits run-out	[illegible]						Benefits run-out	[illegible]	
21	Paid by check								$ 400								
22	Wire	$ 15						15	$ 15							$ 53	
23	Total payroll	$ 537	$ -	$ -	$ -	$ -	$ -	$ 975	$ 415	$ -	$ -	$ 500	$ -	$ -	$ 885	$ 53	$ -
24																	
25	Insurance (Auto, WC, Liab)						NY WC : 6 of 11 +										
26	Type						NY WC Audit - 3 of										
27	Paid by check				MD : WC (5 of 10)		PA WC (5 of 12)										
28	Wire				30		55										
29	Total insurance payments	$ -	$ -	$ -	$ 30	$ -	$ 55	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
30																	
31	Debt interest																
32	Patriarch	$ 5															
33	Wells Fargo																
34	Total debt interest	$ 5	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
35																	
36	Other disbursements																
37	Comments				[illegible]							[illegible]					
38	Rent								55								
39	Vehicle & Equipment lease payments				10				73						13	13	
40	ACH Wires (auto debits- WEX, leases)	$ 18			$ 28	$ 28	$ 18	$ 18	$ 18			$ 28	$ 28	$ 18	$ 18	$ 18	
41	Vehicle down payments																
42	AP-OH (vendor ppl. util. small exp. ck req & other recurring)	61	-	-			25		75	-	-	100	25				-
43	Total other disbursements	$ 79	$ -	$ -	$ 38	$ 28	$ 43	$ 18	$ 221	$ -	$ -	$ 128	$ 53	$ 18	$ 31	$ 31	$ -
44																	
45	TOTAL DISBURSEMENTS	$ 621	$ -	$ -	$ 68	$ 28	$ 98	$ 993	$ 636	$ -	$ -	$ 628	$ 53	$ 18	$ 916	$ 84	$ -
46																	
47	CHANGE IN BOOK CASH	$ (471)	$ -	$ -	$ 282	$ 323	$ 252	$ (719)	$ (286)	$ -	$ -	$ (213)	$ 77	$ 62	$ (542)	$ 41	$ -
48	Weekly change in cash	(13)							(149)							(379)	
49	END OF DAY AVAILABILITY——>	$ 183	$ 523	$ 523	$ 381	$ 613	$ 825	$ 347	$ 480	$ 810	$ 1,140	$ 860	$ 783	$ 870	$ 197	$ 218	$ 346
127	Calculation of BBC																
128																	
129	Trailing 65-day receipts (as of 1Feb13)	21,826	21,792	$ 21,579	21,925	22,275	22,075	22,099	22,299	20,564	$ 20,298	20,684	20,813	20,543	20,567	20,342	19,992
130																	
131	Beginning Eligible AR	14,455	14,759	$ 15,089	15,089	14,656	14,636	14,616	14,722	14,653	$ 14,983	15,313	15,449	15,670	15,820	15,576	15,553
132	Revenue	$ 204	$ 330		$ (83)	$ 330	$ 336	$ 380	$ 281	$ 330	$ 330	$ 551	$ 350	$ 230	$ 130	$ 102	$ 130
133	Payments (sweep that paid down loan)	(150)	-	$ -	(350)	(350)	(350)	(274)	14,475	-	$ -	(415)	(129)	(80)	(374)	(125)	
134	Plug (Wachovia AR & HSBC)																
135	Forecasted Changes in Billing																
136	Ending Eligible AR	$ 14,759	$ 15,089	$ 15,089	$ 14,656	$ 14,636	$ 14,616	$ 14,722	$ 14,653	$ 14,983	$ 15,313	$ 15,449	$ 15,670	$ 15,820	$ 15,576	$ 15,553	$ 15,683
137																	
138	Lesser of Trailing 65-day cash or eligible AR or $22,500	$ 14,759	$ 15,089	$ -	$ 14,656	$ 14,636	$ 14,616	$ 14,722	$ 14,653	$ 14,983	$ -	$ 15,449	$ 15,670	$ 15,820	$ 15,576	$ 15,553	$ 15,683
139	Eligibility variance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
140																	
141																	
142	Beginning Loan Balance	$ 14,053	$ 14,566	$ 14,566	$ 14,566	$ 14,305	$ 14,023	$ 13,691	$ 14,475	$ 14,173	$ 14,173	$ 14,173	$ 14,689	$ 14,687	$ 14,850	$ 15,379	$ 15,338
143	Receipts (paydown)	(150)	-	-	(350)	(350)	(350)	(274)	(350)	-	-	(415)	(129)	(80)	(374)	(125)	-
144	Borrowings	663	-	-	89	68	18	1,058	48		-	1,131	128	43	903	84	-
145	Ending Loan Balance	$ 14,566	$ 14,566	$ 14,566	$ 14,305	$ 14,023	$ 13,691	$ 14,475	$ 14,173	$ 14,173	$ 14,173	$ 14,689	$ 14,687	$ 14,850	$ 15,379	$ 15,338	$ 15,338
146																	
147	END OF DAY AVAILABILITY——>	$ 183	$ 523	$ -	$ 381	$ 613	$ 825	$ 347	$ 480	$ 810	$	$ 860	$ 783	$ 870	$ 197	$ 218	$ 346

Cash By Day - FY 2016

	D	ARQ	ARR	ARS	ART	ARU	ARV	ARW	ARX	ARY	ARZ	ASA	ASB	ASC	ASD	ASE	ASF	ASG	ASH	ASI
2	Weekly Cash (excl Transit)				$ 1,770							$ 1,550							$ 1,795	
3	13-Week Average				$ 1,633							$ 1,633							$ 1,656	
4																				
6																				
7	TransCare Corporation	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu
8	Daily Cash Plan	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4
9		09/27/15	09/28/15	09/29/15	09/30/15	10/01/15	10/02/15	10/03/15	10/04/15	10/05/15	10/06/15	10/07/15	10/08/15	10/09/15	10/10/15	10/11/15	10/12/15	10/13/15	10/14/15	10/15/15
10	PLAN (Based on Release Date)																			
11	Receipts																			
12	Daily sweep - lance	$ -	$ 100	$ 385	$ 215	$ 350	$ 720	$ -	$ -	$ 350	$ 490	$ 255	$ 255	$ 200	$ -	$ -		$ 359	$ 430	$ 531
13	Daily sweep - paratransit	$ -		$ -				$ -	$ -		$ -	$ 250			$ -	$ -		$ -		$ 2,073
14	TOTAL RECEIPTS	$ -	$ 100	$ 385	$ 215	$ 350	$ 720	$ -	$ -	$ 350	$ 490	$ 505	$ 255	$ 200	$ -	$ -	$ -	$ 359	$ 430	$ 2,604
15																				
16	Disbursements																			
17	Payroll																			
18	Wages and employer taxes		$ 438			$ 881	$ 64			$ 404			$ 900	$ 365				$ 114		$ 888
19	Montefiore																			
20	Employee benefits										Benefits cut-out									
21	Paid by check										15		15	$ 15					30	15
22	Wire										$ 30	$ 15								
23	Total payroll	$ -	$ 438	$ -	$ -	$ 881	$ 64	$ -	$ -	$ 404	$ 45	$ 15	$ 915	$ 380	$ -	$ -	$ -	$ 114	$ 30	$ 903
24																				
25	Insurance (Auto, WC, Liab)																			
26	Type		IPFS (placeholder)											Zurich						
27	Paid by check																			
28	Wire		$ 137											$ 157						
29	Total insurance payments	$ -	$ 137	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 157	$ -	$ -	$ -	$ -	$ -	$ -
30																				
31	Debt interest																			
32	Patriarch										$ 295									
33	Wells Fargo				$ 85	$ 30												$ 31		
34	Total debt interest	$ -	$ -	$ -	$ 85	$ 30	$ -	$ -	$ -	$ -	$ 295	$ -	$ -	$ -	$ -	$ -	$ -	$ 31	$ -	$ -
35																				
36	Other disbursements																			
37	Comments		EZ-PASS							EZ-PASS										
38	Rent																			
39	Vehicle & Equipment lease payments						36													
40	ACH Wires (auto debits- WEX, leases)		$ 28	$ 28	$ 18	$ 18	$ 18			$ 28	$ 28	$ 18	$ 18	$ 18					$ 53	
41	Vehicle down payments																			
42	AP-OH (vendor pp, util, small,rep, ck req & other recurring)						197				25			150			80	25		
43	Total other disbursements	$ -	$ 28	$ 28	$ 18	$ 18	$ 251	$ -	$ -	$ 28	$ 53	$ 18	$ 18	$ 168	$ -	$ -	$ 80	$ 25	$ 53	$ -
44																				
45	TOTAL DISBURSEMENTS	$ -	$ 603	$ 28	$ 103	$ 929	$ 315	$ -	$ -	$ 432	$ 393	$ 33	$ 933	$ 705	$ -	$ -	$ 80	$ 170	$ 83	$ 903
46																				
47	CHANGE IN BOOK CASH	$ -	$ (503)	$ 358	$ 112	$ (579)	$ 405	$ -	$ -	$ (62)	$ 98	$ 472	$ (678)	$ (505)	$ -	$ -	$ (80)	$ 189	$ 347	$ 1,701
48	Weekly change in cash						(208)							(890)						
49	END OF DAY AVAILABILITY——>	$ 545	$ 229	$ 407	$ 764	$ 8	$ 20	$ 336	$ 330	$ 60	$ 188	$ 695	$ 207	$ 66	$ 246	$ 346	$ 611	$ 820	$ 717	$ 135
127	Calculation of DBC																			
128																				
129	Trailing 65-day receipts (as of 1Feb13)	$ 19,642	19,742	20,127	19,892	19,892	20,302	19,812	$ 19,402	19,812	20,302	20,494	20,565	17,816	17,696	$ 17,271	17,271	17,630	17,710	19,964
130																				
131	Beginning Eligible AR	$ 15,683	15,883	16,083	15,904	16,089	15,972	15,346	$ 15,656	15,656	15,701	15,691	15,766	15,941	16,305	$ 16,485	16,585	16,865	16,740	16,682
132	Revenue	$ 200	$ 300	$ 206	$ 400	$ 233	$ 94	$ 310		$ 395	$ 480	$ 330	$ 430	$ 564	$ 180	$ 100	$ 280	$ 234	$ 372	$ 411
133	Payments (sweep that paid down loan)	$ -	(100)	(385)	(215)	(350)	(720)	-	$ -	15,326	(490)	15,753	(255)	15,734	-	$ -	-	(359)	(430)	(2,604)
134	Plug (Wachovia AR & HSBC)																			
135	Forecasted Changes in Billing																			
136	Ending Eligible AR	$ 15,883	$ 16,083	$ 15,904	$ 16,089	$ 15,972	$ 15,346	$ 15,656	$ 15,656	$ 15,701	$ 15,691	$ 15,766	$ 15,941	$ 16,305	$ 16,485	$ 16,585	$ 16,865	$ 16,740	$ 16,682	$ 14,489
137																				
138	Lesser of Trailing 65-day cash or eligible AR or $22,500	$ -	$ 16,083	$ 15,904	$ 16,089	$ 15,972	$ 15,346	$ 15,656	$ -	$ 15,701	$ 15,691	$ 15,766	$ 15,941	$ 16,305	$ 16,485	$ -	$ 16,865	$ 16,740	$ 16,682	$ 14,489
139	Eligibility variance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
140																				
141																				
142	Beginning Loan Balance	$ 15,326	$ 15,338	$ 15,854	$ 15,497	$ 15,385	$ 15,964	$ 15,326	$ 15,326	$ 15,326	$ 15,641	$ 15,503	$ 15,071	$ 15,734	$ 16,239	$ 16,239	$ 16,239	$ 16,254	$ 16,120	$ 15,965
143	Receipts (paydown)	-	(100)	(385)	(215)	(350)	(720)	-	-	(350)	(490)	(505)	(255)	(200)	-	-	-	(359)	(430)	(2,604)
144	Borrowings	-	616	28	103	929	82	-	-	665	353	73	918	705	-	-	15	225	275	993
145	Ending Loan Balance	$ 15,338	$ 15,854	$ 15,497	$ 15,385	$ 15,964	$ 15,326	$ 15,326	$ 15,326	$ 15,641	$ 15,503	$ 15,071	$ 15,734	$ 16,239	$ 16,239	$ 16,239	$ 16,254	$ 16,120	$ 15,965	$ 14,354
146																				
147	END OF DAY AVAILABILITY——>	$	$ 229	$ 407	$ 764	$ 8	$ 20	$ 330	$ -	$ 60	$ 188	$ 695	$ 207	$ 66	$ 246	$ -	$ 611	$ 820	$ 717	$ 135

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A0997

Cash By Day - FY 2016

	D	ASJ	ASK	ASL	ASM	ASN	ASO	ASP	ASQ	ASR	ASS	AST	ASU	ASV	ASW	ASX	ASY	ASZ	ATA	ATB
2	Weekly Cash (excl Transit)						$ 1,530							$ 1,875						
3	13-Week Average						$ 1,639							$ 1,818						
4																				
6																				
7	TransCare Corporation	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue
8	Daily Cash Plan	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2
9		10/16/15	10/17/15	10/18/15	10/19/15	10/20/15	10/21/15	10/22/15	10/23/15	10/24/15	10/25/15	10/26/15	10/27/15	10/28/15	10/29/15	10/30/15	10/31/15	11/01/15	11/02/15	11/03/15
10	PLAN (Based on Release Date)																			
11	Receipts																			
12	Daily sweep - lance	$ 475	$ -	$ -	$ 359	$ 150	$ 350	$ 399	$ 272	$ -	$ -	$ 300	$ 300	$ 300	$ 450	$ 325	$ -	$ -	$ 350	$ 350
13	Daily sweep - paratransit	$ 500	$ -	$ -		$ -				$ -	$ -		$ -				$ -	$ -		$ -
14	TOTAL RECEIPTS	$ 975	$ -	$ -	$ 359	$ 150	$ 350	$ 399	$ 272	$ -	$ -	$ 300	$ 300	$ 300	$ 450	$ 325	$ -	$ -	$ 350	$ 350
15																				
16	Disbursements																			
17	Payroll																			
18	Wages and employer taxes				$ 466			$ 900												
19	Montefiore											$ 466			$ 867	$ 57			$ 409	
20	Employee benefits																			
21	Paid by check	$ 400						15												
22	Wire								$ 30			$ 30								
23	Total payroll	$ 400	$ -	$ -	$ 466	$ -	$ -	$ 915	$ 30	$ -	$ -	$ 496	$ -	$ -	$ 867	$ 57	$ -	$ -	$ 409	$ -
24																				
25	Insurance (Auto, WC, Liab)								IPFS (placeholder) Sunch											
26	Type																			
27	Paid by check															MYDR				
28	Wire	$ 750							$ 300							118				
29	Total insurance payments	$ 750	$ -	$ -	$ -	$ -	$ -	$ -	$ 300	$ -	$ -	$ -	$ -	$ -	$ -	$ 118	$ -	$ -	$ -	$ -
30																				
31	Debt interest																			
32	Patriarch																			
33	Wells Fargo															$ 100				
34	Total debt interest	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 100	$ -	$ -	$ -	$ -
35																				
36	Other disbursements																			
37	Comments																			
38	Rent																			
39	Vehicle & Equipment lease payments																			
40	ACH Wires (auto debits- WEX, leases)				$ 68	$ 48		$ 18	$ 18			$ 35	$ 28	$ 48	13	48			$ 3	
41	Vehicle down payments																			
42	AP-OH (vendor pp, util, small exp, ck req & other recurring)		-	-					150	-	-		75			40	-	-		
43	Total other disbursements	$ -	$ -	$ -	$ 68	$ 48	$ -	$ 18	$ 168	$ -	$ -	$ 35	$ 103	$ 48	$ 13	$ 88	$ -	$ -	$ 3	$ -
44																				
45	TOTAL DISBURSEMENTS	$ 1,150	$ -	$ -	$ 534	$ 48	$ -	$ 933	$ 498	$ -	$ -	$ 531	$ 103	$ 48	$ 880	$ 359	$ -	$ -	$ 412	$ -
46																				
47	CHANGE IN BOOK CASH	$ (175)	$ -	$ -	$ (175)	$ 102	$ 350	$ (534)	$ (226)	$ -	$ -	$ (231)	$ 198	$ 254	$ (430)	$ (34)	$ -	$ -	$ (62)	$ 350
48	Weekly change in cash	1,982							(483)							(244)				
49	END OF DAY AVAILABILITY——>	$ (0)	$ 280	$ 880	$ 10	$ 222	$ 518	$ 10	$ 38	$ 299	$ 609	$ 258	$ 440	$ 621	$ 8	$ 60	$ 240	$ 340	$ 6	$ 304
127	Calculation of BBC																			
128																				
129	Trailing 85-day receipts (as of 1Feb13)	20,704	20,944	$ 19,384	20,353	20,503	20,503	20,552	20,643	20,274	$ 19,898	20,199	20,499	20,449	20,774	20,974	20,424	$ 20,614	20,424	20,774
130																				
131	Beginning Eligible AR	14,489	14,699	$ 14,979	15,259	15,284	15,394	15,340	15,351	15,470	$ 15,731	15,941	16,021	15,981	15,983	15,785	15,763	$ 15,943	16,043	15,927
132	Revenue	$ 185	$ 280	$ 280	$ 384	$ 260	$ 296	$ 410	$ 391	$ 261	$ 210	$ 380	$ 260	$ 302	$ 252	$ 303	$ 180	$ 100	$ 234	$ 358
133	Payments (sweep that paid down loan)	14,854		$ -	(359)	(150)	(350)	(399)	(272)	-	$ -	(300)	(300)	(300)	(450)	15,779	-	$ -	(350)	(350)
134	Plug (Wachovia AR & HSBC)																			
135	Forecasted Changes in Billing																			
136	Ending Eligible AR	$ 14,699	$ 14,979	$ 15,259	$ 15,284	$ 15,394	$ 15,340	$ 15,351	$ 15,470	$ 15,731	$ 15,941	$ 16,021	$ 15,981	$ 15,983	$ 15,785	$ 15,763	$ 15,943	$ 16,043	$ 15,927	$ 15,935
137																				
138	Lesser of Trailing 85-day cash or eligible AR or $22,500	$ 14,699	$ 14,979	$ -	$ 15,284	$ 15,394	$ 15,340	$ 15,351	$ 15,470	$ 15,731	$ -	$ 16,021	$ 15,981	$ 15,983	$ 15,785	$ 15,763	$ 15,943	$ -	$ 15,927	$ 15,935
139	Eligibility variance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
140																				
141																				
142	Beginning Loan Balance	$ 14,354	$ 14,699	$ 14,699	$ 14,699	$ 15,274	$ 15,172	$ 14,822	$ 15,341	$ 15,432	$ 15,432	$ 15,432	$ 15,813	$ 15,541	$ 15,382	$ 15,779	$ 15,703	$ 15,703	$ 15,703	$ 15,921
143	Receipts (paydown)	-	-	-	(359)	(150)	(350)	(399)	(272)	-	-	(300)	(300)	(300)	(450)	(325)	-	-	(350)	(350)
144	Borrowings	820	-	-	934	48	-	918	363	-	-	681	28	121	867	249	-	-	568	60
145	Ending Loan Balance	$ 14,699	$ 14,699	$ 14,699	$ 15,274	$ 15,172	$ 14,822	$ 15,341	$ 15,432	$ 15,432	$ 15,432	$ 15,813	$ 15,541	$ 15,382	$ 15,779	$ 15,703	$ 15,703	$ 15,703	$ 15,921	$ 15,631
146																				
147	END OF DAY AVAILABILITY——>	$ (0)	$ 280	$ -	$ 10	$ 222	$ 518	$ 10	$ 38	$ 299	$ -	$ 258	$ 440	$ 621	$ 8	$ 60	$ 240	$ -	$ 6	$ 304

Cash By Day - FY 2016

	D	ATC	ATD	ATE	ATF	ATG	ATH	ATI	ATJ	ATK	ATL	ATM	ATN	ATO	ATP	ATQ	ATR	ATS	ATT	ATU
2	Weekly Cash (excl Transit)	$ 1,428							$ 1,005							$ 1,985				
3	13-Week Average	$ 1,616							$ 1,567							$ 1,594				
4																				
6																				
7	TransCare Corporation	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun
8	Daily Cash Plan	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7
9		11/04/15	11/05/15	11/06/15	11/07/15	11/08/15	11/09/15	11/10/15	11/11/15	11/12/15	11/13/15	11/14/15	11/15/15	11/16/15	11/17/15	11/18/15	11/19/15	11/20/15	11/21/15	11/22/15
10	PLAN (Based on Release Date)																			
11	Receipts																			
12	Daily sweep - lahce	$ 240	$ 163	$ 325	$ -	$ -	$ 355	$ 150		$ 350	$ 150	$ -	$ -	$ 412	$ 65	$ 807	$ 351	$ 350	$ -	$ -
13	Daily sweep - paratransit		$ 2,023		$ -	$ -		$ -				$ -	$ -		$ -				$ -	$ -
14	TOTAL RECEIPTS	$ 240	$ 2,186	$ 325	$ -	$ -	$ 355	$ 150	$ -	$ 350	$ 150	$ -	$ -	$ 412	$ 65	$ 807	$ 351	$ 350	$ -	$ -
15																				
16	Disbursements																			
17	Payroll																			
18	Wages and employer taxes		$ 874	$ 64			$ 411			$ 861							$ 860			
19	Monteflore																			
20	Employee benefits																			
21	Paid by check																15			
22	Wire	$ 20	$ 67	$ 52														$ 15		
23	Total payroll	$ 20	$ 941	$ 116	$ -	$ -	$ 411	$ -	$ -	$ 861	$ -	$ -	$ -	$ -	$ -	$ -	$ 875	$ 15	$ -	$ -
24																				
25	Insurance (Auto, WC, Liab)		Zurich																	
26	Type			NYSIF							NYSIF						NYSIF			
27	Paid by check			116							200						400			
28	Wire		$ 157														$ 60	$ 136		
29	Total insurance payments	$ -	$ 157	$ 116	$ -	$ -	$ -	$ -	$ -	$ -	$ 200	$ -	$ -	$ -	$ -	$ -	$ 460	$ 136	$ -	$ -
30																				
31	Debt interest																			
32	Patriarch	$ 200																		
33	Wells Fargo									$ 28										
34	Total debt interest	$ 200	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 28	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
35																				
36	Other disbursements																			
37	Comments						EZ PASS							EZ PASS						
38	Rent																			
39	Vehicle & Equipment lease payments																	30		
40	ACH Wires (auto debits- WEX, leases)						$ 87	$ 60		$ 59							$ 100	$ 18		
41	Vehicle down payments																			
42	AF-OH (vendor pp, util, small,exp, ck req & other recurring)			160	-	-					50	-	-			25		25	-	-
43	Total other disbursements	$ -	$ -	$ 160	$ -	$ -	$ 87	$ 60	$ -	$ 59	$ 50	$ -	$ -	$ -	$ -	$ 25	$ 100	$ 73	$ -	$ -
44																				
45	TOTAL DISBURSEMENTS	$ 220	$ 1,098	$ 392	$ -	$ -	$ 498	$ 60	$ -	$ 948	$ 250	$ -	$ -	$ -	$ -	$ 25	$ 1,435	$ 224	$ -	$ -
46																				
47	CHANGE IN BOOK CASH	$ 20	$ 1,088	$ (67)	$ -	$ -	$ (143)	$ 90	$ -	$ (598)	$ (100)	$ -	$ -	$ 412	$ 65	$ 782	$ (1,084)	$ 126	$ -	$ -
48	Weekly change in cash			1,329							(751)							301		
49	END OF DAY AVAILABILITY——>	$ 555	$ 68	$ 196	$ 394	$ 394	$ 343	$ 261	$ 588	$ 4	$ 176	$ 370	$ 533	$ 283	$ 575	$ 603	$ 293	$ 693	$ 973	$ 1,279
127	Calculation of BSC																			
128																				
129	Trailing 65-day receipts (as of 1Feb13)	20,539	22,375	22,350	22,166	$ 22,166	19,772	19,922	19,922	19,663	19,094	18,540	$ 18,396	18,808	18,873	19,330	19,331	19,331	[illegible]	$ [illegible]
130																				
131	Beginning Eligible AR	15,935	16,218	14,537	14,537	$ 14,732	14,732	15,024	14,964	15,289	15,305	15,321	$ 15,521	15,684	15,272	15,499	14,920	15,064	15,738	16,018
132	Revenue	$ 523	$ 565	$ 360	$ 195		$ 531	$ 206	$ 325	$ 366	$ 166	$ 200	$ 163		$ 292	$ 228	$ 495	$ 1,024	$ 280	$ 303
133	Payments (sweep that paid down loan)	(240)	(2,186)	(325)	-	$ -	(355)	(150)	-	(350)	(150)	-	$ -	(412)	(65)	(807)	(351)	(350)	-	$ -
134	Plug (Wachovia AR & HSBC)																			
135	Forecasted Changes in Billing																			
136	Ending Eligible AR	$ 16,218	$ 14,597	$ 14,537	$ 14,732	$ 14,732	$ 15,024	$ 14,964	$ 15,289	$ 15,305	$ 15,321	$ 15,521	$ 15,684	$ 15,272	$ 15,499	$ 14,920	$ 15,064	$ 15,738	$ 16,018	$ 16,321
137																				
138	Lesser of Trailing 65-day cash or eligible AR or $22,500	$ 16,218	$ 14,597	$ 14,537	$ 14,732	$ 14,732	$ 15,024	$ 14,964	$ 15,289	$ 15,305	$ 15,321	$ 15,521	$ 15,684	$ 15,272	$ 15,499	$ 14,920	$ 15,064	$ 15,738	$ 16,018	$ 16,321
139	Eligibility variance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
140																				
141																				
142	Beginning Loan Balance	$ 15,631	$ 15,623	$ 14,541	$ 14,338	$ 14,338	$ 14,338	$ 14,781	$ 14,703	$ 14,703	$ 15,301	$ 15,151	$ 15,151	$ 15,151	$ 14,989	$ 14,924	$ 14,117	$ 14,811	$ 15,045	$ 15,045
143	Receipts (paydown)	(240)	(2,186)	(325)	-	-	(355)	(150)	-	(350)	(150)	-	-	(412)	(65)	(807)	(351)	(350)	-	-
144	Borrowings	232	1,104	122	-	-	798	72	-	948	-	-	-	250	-	-	1,045	584	-	-
145	Ending Loan Balance	$ 15,623	$ 14,541	$ 14,338	$ 14,338	$ 14,338	$ 14,781	$ 14,703	$ 14,703	$ 15,301	$ 15,151	$ 15,151	$ 15,151	$ 14,989	$ 14,924	$ 14,117	$ 14,811	$ 15,045	$ 15,045	$ 15,045
146																				
147	END OF DAY AVAILABILITY——>	$ 595	$ [illegible]	$ 199	$ 394	$ 394	$ 347	$ 261	$ 588	$ 4	$ 176	$ 370	$ 533	$ 283	$ 575	$ 603	$ 293	$ 693	$ 973	$ 1,279

Cash By Day - FY 2016

	D	ATV	ATW	ATX	ATY	ATZ	AUA	AUB	AUC	AUD	AUE	AUF	AUG	AUH	AUI	AUJ	AUK	AUL	AUM
2	Weekly Cash (excl Transit)			$ 1,220							$ 1,396							$ 1,690	
3	13-Week Average			$ 1,573							$ 1,552							$ 1,526	
4																			
6																			
7	TransCare Corporation	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu
8	Daily Cash Plan	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4
9		11/23/15	11/24/15	11/25/15	11/26/15	11/27/15	11/28/15	11/29/15	11/30/15	12/01/15	12/02/15	12/03/15	12/04/15	12/05/15	12/06/15	12/07/15	12/08/15	12/09/15	12/10/15
10	PLAN (Based on Tracking Date)																		
11	Receipts																		
12	Daily sweep - lance	$ 401	$ 190	$ 517		$ 112	$ -	$ -	$ 313	$ 109	$ 209	$ 380	$ 385	$ -	$ -	$ 486	$ 301	$ 209	$ 544
13	Daily sweep - paratransit		$ -				$ -	$ -		$ -				$ -	$ -		$ -		
14	TOTAL RECEIPTS	$ 401	$ 190	$ 517	$ -	$ 112	$ -	$ -	$ 313	$ 109	$ 209	$ 380	$ 385	$ -	$ -	$ 486	$ 301	$ 209	$ 544
15																			
16	Disbursements																		
17	Payroll																		
18	Wages and employer taxes			$ 870								$ 896	$ 466			$ 412			$ 574
19	Montefiore																		
20	Employee benefits				Aetna														
21	Paid by check				$ 365														
22	Wire					$ 15						15	$ 15			$ 60			
23	Total payroll	$ -	$ -	$ 870	$ 365	$ 15	$ -	$ -	$ -	$ -	$ -	$ 911	$ 481	$ -	$ -	$ 472	$ -	$ -	$ 574
24																			
25	Insurance (Auto, WC, Liab)																		
26	Type					Zurich													
27	Paid by check																		
28	Wire					$ 157													
29	Total insurance payments	$ -	$ -	$ -	$ -	$ 157	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
30																			
31	Debt interest																		
32	Patriarch																		
33	Wells Fargo									$ 85									
34	Total debt interest	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 85	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
35																			
36	Other disbursements																		
37	Comments																		
38	Rent																		
39	Vehicle & Equipment lease payments					23			43								158		
40	ACH Wires (auto debits- WEX, leases)	$ 28	$ 28	$ 18	$ 3				$ 28	$ 28	$ 18	$ 27	$ 25			$ 37	$ 28	$ 46	
41	Vehicle down payments																		
42	AP-OH (vendor pp. util. small exp. ck req & other recurring)					42	-	-		50				-	-		52		
43	Total other disbursements	$ 28	$ 28	$ 18	$ 3	$ 65	$ -	$ -	$ 71	$ 78	$ 18	$ 27	$ 25	$ -	$ -	$ 37	$ 238	$ 46	$ -
44																			
45	TOTAL DISBURSEMENTS	$ 28	$ 28	$ 888	$ 368	$ 237	$ -	$ -	$ 71	$ 163	$ 18	$ 938	$ 506	$ -	$ -	$ 509	$ 238	$ 46	$ 574
46																			
47	CHANGE IN BOOK CASH	$ 373	$ 163	$ (371)	$ (368)	$ (125)	$ -	$ -	$ 242	$ (54)	$ 191	$ (558)	$ (121)	$ -	$ -	$ (23)	$ 64	$ 163	$ (30)
48	Weekly change in cash					(329)							(306)						
49	END OF DAY AVAILABILITY——>	$ 787	$ 923	$ 316	$ 312	$ 4	$ 4	$ 104	$ 266	$ 435	$ 482	$ 260	$ 29	$ 29	$ 231	$ 58	$ 139	$ 415	$ 2
127	Calculation of BBC																		
128																			
129	Trailing 65-day receipts (as of 1Feb13)	19,108	19,296	19,400	19,271	19,303	18,929	18,604	19,117	19,226	19,335	19,330	19,500	19,150	19,430	18,916	19,217	19,076	19,130
130																			
131	Beginning Eligible AR	16,321	16,228	16,248	16,011	16,011	16,128	$ 16,128	16,228	16,170	16,386	16,292	16,603	16,515	$ 16,515	16,720	16,562	16,518	16,692
132	Revenue	$ 308	$ 210	$ 280		$ 229		$ 100	$ 255	$ 325	$ 115	$ 691	$ 297		$ 205	$ 328	$ 257	$ 383	$ 161
133	Payments (sweep that paid down loan)	(401)	(190)	(517)	-	(112)	-	$ -	(313)	(109)	(209)	(380)	(385)	-	$ -	(486)	(301)	(209)	(544)
134	Plug (Wachovia AR & HSBC)																		
135	Forecasted Changes in Billing																		
136	Ending Eligible AR	$ 16,228	$ 16,248	$ 16,011	$ 16,011	$ 16,128	$ 16,128	$ 16,228	$ 16,170	$ 16,386	$ 16,292	$ 16,603	$ 16,515	$ 16,515	$ 16,720	$ 16,562	$ 16,518	$ 16,692	$ 16,309
137																			
138	Lesser of Trailing 65-day cash or eligible AR or $22,500	$ 16,228	$ 16,248	$ 16,011	$ 16,011	$ 16,128	$ 16,128	$ 16,228	$ 16,170	$ 16,386	$ 16,292	$ 16,603	$ 16,515	$ 16,515	$ 16,720	$ 16,562	$ 16,518	$ 16,692	$ 16,309
139	Eligibility variance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
140																			
141																			
142	Beginning Loan Balance	$ 15,045	$ 15,441	$ 15,325	$ 15,696	$ 15,699	$ 16,124	$ 16,124	$ 16,124	$ 15,904	$ 15,951	$ 15,810	$ 16,353	$ 16,489	$ 16,489	$ 16,489	$ 16,512	$ 16,388	$ 16,277
143	Receipts (paydown)	(401)	(190)	(517)	-	(112)	-	-	(313)	(109)	(209)	(380)	(385)	-	-	(486)	(301)	(209)	(544)
144	Borrowings	797	75	888	3	537	-	-	93	156	68	923	521	-	-	509	177	98	574
145	Ending Loan Balance	$ 15,441	$ 15,325	$ 15,696	$ 15,699	$ 16,124	$ 16,124	$ 16,124	$ 15,904	$ 15,951	$ 15,810	$ 16,353	$ 16,489	$ 16,489	$ 16,489	$ 16,512	$ 16,388	$ 16,277	$ 16,307
146																			
147	END OF DAY AVAILABILITY——>	$ 787	$ 923	$ 316	$ 312	$ 4	$ 4	$ 104	$ 266	$ 435	$ 482	$ 260	$ 29	$ 29	$ 231	$ 58	$ 139	$ 415	$ 2

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Cash By Day - FY 2016

	D	AUN	AUO	AUP	AUQ	AUR	AUS	AUT	AUU	AUV	AUW	AUX	AUY	AUZ	AVA	AVB	AVC	AVD	AVE
2	Weekly Cash (excl Transit)						$ 1,760							$ 1,020					
3	13-Week Average						$ 1,533							$ 1,525					
4																			
6																			
7	TransCare Corporation	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon
8	Daily Cash Plan	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1
9		12/11/15	12/12/15	12/13/15	12/14/15	12/15/15	12/16/15	12/17/15	12/18/15	12/19/15	12/20/15	12/21/15	12/22/15	12/23/15	12/24/15	12/25/15	12/26/15	12/27/15	12/28/15
10	PLAN (Based on Release Date)																		
11	Receipts																		
12	Daily sweep - fance	$ 150	$ -	$ -	$ 547	$ 350	$ 350	$ 109	$ 404	$ -	$ -	$ 124	$ 388	$ 175	$ 333		$ -	$ -	$ 392
13	Daily sweep - paratransit		$ -	$ -		$ 1,965				$ -	$ -		$ -				$ -	$ -	
14	TOTAL RECEIPTS	$ 150	$ -	$ -	$ 547	$ 2,315	$ 350	$ 1,387	$ 404	$ -	$ -	$ 124	$ 388	$ 175	$ 333	$ -	$ -	$ -	$ 392
15																			
16	Disbursements																		
17	Payroll																		
18	Wages and employer taxes	$ 290			$ 46			$ 2,188	$ 35			$ 420			$ 822				$ 546
19	Montefiore																		
20	Employee benefits																		
21	Paid by check														15				
22	Wire	$ 15						$ 321	$ 15										
23	Total payroll	$ 305	$ -	$ -	$ 46	$ -	$ -	$ 2,509	$ 50	$ -	$ -	$ 420	$ -	$ -	$ 837	$ -	$ -	$ -	$ 546
24																			
25	Insurance (Auto, WC, Liab)																		
26	Type														IPFS (placeholder)				
27	Paid by check																		
28	Wire														$ 143				
29	Total insurance payments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 143	$ -	$ -	$ -	$ -
30																			
31	Debt interest																		
32	Patriarch								Legal										
33	Wells Fargo								$ 40										
34	Total debt interest	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 40	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
35																			
36	Other disbursements																		
37	Comments											EZ PASS							EZ PASS
38	Rent				444														
39	Vehicle & Equipment lease payments																		
40	ACH Wires (auto debits- WEX, leases)	$ 18			$ 1	$ 10	$ 18	$ 4	$ 18			$ 28	$ 46		$ 8				$ 28
41	Vehicle down payments																		
42	AP-OH (vendor pp, util. small.exp, ck req & other recurring)	81	-	-			37	50		-	-						-	-	
43	Total other disbursements	$ 99	$ -	$ -	$ 445	$ 10	$ 55	$ 54	$ 18	$ -	$ -	$ 28	$ 46	$ -	$ 8	$ -	$ -	$ -	$ 28
44																			
45	TOTAL DISBURSEMENTS	$ 404	$ -	$ -	$ 491	$ 10	$ 55	$ 2,563	$ 116	$ -	$ -	$ 448	$ 46	$ -	$ 988	$ -	$ -	$ -	$ 574
46																			
47	CHANGE IN BOOK CASH	$ (254)	$ -	$ -	$ 56	$ 2,305	$ 295	$ (1,176)	$ 288	$ -	$ -	$ (324)	$ 342	$ 175	$ (655)	$ -	$ -	$ -	$ (182)
48	Weekly change in cash	(81)							1,768							(482)			
49	END OF DAY AVAILABILITY——>	$ (8)	$ 208	$ 337	$ 115	$ 516	$ 1,086	$ 54	$ 138	$ 138	$ 138	$ 320	$ 900	$ 810	$ 97	$ 82	$ 182	$ 282	$ 19
127	Calculation of BBC																		
128																			
129	Trailing 65-day receipts (as of 1Feb13)	18,775	18,520	18,320	18,867	21,182	21,532	22,560	22,534	19,930	19,855	19,079	19,467	19,283	19,486	19,116	18,717	18,445	18,637
130																			
131	Beginning Eligible AR	16,309	16,480	$ 16,680	16,837	16,620	14,716	14,954	15,125	14,931	$ 14,931	14,931	15,437	15,275	15,410	15,337	15,337	$ 15,437	15,537
132	Revenue	$ 321	$ 200	$ 157	$ 330	$ 411	$ 568	$ 280	$ 210			$ 630	$ 226	$ 310	$ 260		$ 100	$ 100	$ 311
133	Payments (sweep that paid down loan)	(150)	-	$	(547)	(2,315)	(350)	(109)	(404)	-	$	(124)	(388)	(175)	(333)	-	-	$ -	(392)
134	Plug (Wachovia AR & HSBC)																		
135	Forecasted Changes in Billing																		
136	Ending Eligible AR	$ 16,480	$ 16,680	$ 16,837	$ 16,620	$ 14,716	$ 14,954	$ 15,125	$ 14,931	$ 14,931	$ 14,931	$ 15,437	$ 15,275	$ 15,410	$ 15,337	$ 15,337	$ 15,437	$ 15,537	$ 15,456
137																			
138	Lesser of Trailing 65-day cash or eligible AR or $22,500	$ 16,480	$ 16,680	$ 16,837	$ 16,620	$ 14,716	$ 14,954	$ 15,125	$ 14,931	$ 14,931	$ 14,931	$ 15,437	$ 15,275	$ 15,410	$ 15,337	$ 15,337	$ 15,437	$ 15,537	$ 15,456
139	Eligibility variance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
140																			
141																			
142	Beginning Loan Balance	$ 16,307	$ 16,480	$ 16,480	$ 16,480	$ 16,505	$ 14,200	$ 13,868	$ 15,031	$ 14,793	$ 14,793	$ 14,793	$ 15,117	$ 14,775	$ 14,600	$ 15,240	$ 15,255	$ 15,255	$ 15,255
143	Receipts (paydown)	(150)	-	-	(547)	(2,315)	(350)	(1,387)	(404)	-	-	(124)	(388)	(175)	(333)	-	-	-	(392)
144	Borrowings	323	-	-	572	10	18	2,550	166	-	-	448	46	-	973	15	-	-	574
145	Ending Loan Balance	$ 16,480	$ 16,480	$ 16,480	$ 16,505	$ 14,200	$ 13,868	$ 15,031	$ 14,793	$ 14,793	$ 14,793	$ 15,117	$ 14,775	$ 14,600	$ 15,240	$ 15,255	$ 15,255	$ 15,255	$ 15,437
146																			
147	END OF DAY AVAILABILITY——>	$ (8)	$ 208	$ 337	$ 115	$ 516	$ 1,086	$ 54	$ 138	$ 138	$ 138	$ 320	$ 900	$ 810	$ 97	$ 82	$ 182	$ 282	$ 19

CM_TC2018_0003376

Cash By Day - FY 2016

	D	AVF	AVG	AVH	AVI	AVJ	AVK
2	Weekly Cash (excl Transit)		$ 1,307				
3	13-Week Average		$ 1,485				
4							
6							
7	TransCare Corporation	Tue	Wed	Thu	Fri	Sat	Sun
8	Daily Cash Plan	2	3	4	5	6	7
9		12/29/15	12/30/15	12/31/15	01/01/16	01/02/16	01/03/16
10	PLAN (Based on Release Date)						
11	Receipts						
12	Daily sweep - lance	$ 374	$ 141	$ 402		$ -	$
13	Daily sweep - paratransit	$ -				$ -	$
14	TOTAL RECEIPTS	$ 374	$ 141	$ 400	$ -	$ -	$ -
15							
16	Disbursements						
17	Payroll						
18	Wages and employer taxes			$ 150			
19	Montefiore						
20	Employee benefits						
21	Paid by check						
22	Wire						
23	Total payroll	$ -	$ -	$ 150	$ -	$ -	$ -
24							
25	Insurance (Auto, WC, Liab)						
26	Type						
27	Paid by check						
28	Wire						
29	Total insurance payments	$ -	$ -	$ -	$ -	$ -	$ -
30							
31	Debt interest						
32	Patriarch						
33	Wells Fargo						
34	Total debt interest	$ -	$ -	$ -	$ -	$ -	$ -
35							
36	Other disbursements						
37	Comments						
38	Rent		300	143			
39	Vehicle & Equipment lease payments						
40	ACH Wires (auto debits- WEX, leases)		$ 57				
41	Vehicle down payments						
42	AP-OH (vendor pp, util, small exp, ck req & other recurring)	25				-	-
43	Total other disbursements	$ 25	$ 357	$ 186	$ -	$ -	$ -
44							
45	TOTAL DISBURSEMENTS	$ 25	$ 357	$ 336	$ -	$ -	$ -
46							
47	CHANGE IN BOOK CASH	$ 349	$ (216)	$ 64	$ -	$ -	$ -
48	Weekly change in cash						
49	END OF DAY AVAILABILITY——>	$ 169	$ 17	$ 1	$ 1	$ 63	$ 203
127	Calculation of BBC						
128							
129	Trailing 65-day receipts (as of 1Feb13)	19,211	19,211	19,054	18,754	19,422	$ 19,677
130							
131	Beginning Eligible AR	15,456	15,232	15,162	15,339	15,241	15,391
132	Revenue	$ 150	$ 230	$ 320		$ 150	
133	Payments (sweep that paid down loan)	(374)	(300)	(143)	-	-	$ -
134	Plug (Wachovia AR & HSBC)						
135	Forecasted Changes in Billing						
136	Ending Eligible AR	$ 15,232	$ 15,162	$ 15,339	$ 15,339	$ 15,391	$ 15,391
137							
138	Lesser of Trailing 65-day cash or eligible AR or $22,500	$ 15,232	$ 15,162	$ 15,339	$ 15,339	$ [illegible]	$ [illegible]
139	Eligibility variance	$ -	$ -	$ -	$ -	$ -	$ -
140							
141							
142	Beginning Loan Balance	$ 15,437	$ 15,063	$ 15,145	$ 15,338	$ 15,338	$ 15,338
143	Receipts (paydown)	(374)	(300)	(143)	-	-	-
144	Borrowings	-	382	336		-	-
145	Ending Loan Balance	$ 15,063	$ 15,145	$ 15,338	$ 15,338	$ 15,338	$ 15,338
146							
147	END OF DAY AVAILABILITY——>	$ 169	$ 17	$ 1	$ 1	$ 63	$ 203

A1002

SCHEDULE BY MONTH - FROM CAPX WORKSHEETS

See New Type 3 Worksheet
New Type 2 Worksheet
Used Type 2 Worksheet

NEW TYPE 3		Plan Dec-15	Budget Jan-16	Budget Feb-16	Budget Mar-16	Budget Apr-16	Budget May-16	Budget Jun-16	Budget Jul-16	Budget Aug-16	Budget Sep-16	Budget Oct-16	Budget Nov-16	Budget Dec-16	Year Ended 12/31/2016
Number of New Leases Per Month			0	3	3	4	4	1	1	1	1	1	1	0	20
NEW -Vehicle Cost Type 3	$ 160,000	$ -	$ -	$ 480,000	$ 480,000	$ 640,000	$ 640,000	$ 160,000	$ 160,000	$ 160,000	$ 160,000	$ 160,000	$ 160,000	$ -	$ 3,200,000
Down Payment	25%														
Amount DP	$ 40,000	$ -	$ -	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 1,320,000
Financed	$ 120,000	$ -	$ -	$ 360,000	$ 360,000	$ 360,000	$ 360,000	$ 360,000	$ 360,000	$ 360,000	$ 360,000	$ 360,000	$ 360,000	$ 360,000	$ 3,960,000
Interest Rate	7%		$ -	$ (2,100)	$ (4,162)	$ (6,886)	$ (9,558)	$ (9,904)	$ (10,415)	$ (10,912)	$ (11,394)	$ (11,863)	$ (12,318)	$ (14,859)	$ (104,372)
Lease payment Principal	$ -		$ -	$ (6,521)	$ (13,079)	$ (21,850)	$ (30,671)	$ (32,481)	$ (34,844)	$ (37,220)	$ (39,611)	$ (42,016)	$ (44,434)	$ (53,388)	$ (356,115)
Monthly Lease Period	48														
CASH OUTFLOW	Total	$ -	$ -	$ (128,621)	$(137,241)	$(148,735)	$(160,230)	$(162,385)	$(165,258)	$(168,132)	$(171,006)	$(173,879)	$(176,753)	$(188,247)	$ (1,780,486)

USED TYPE 2		Plan Dec-15	Budget Jan-16	Budget Feb-16	Budget Mar-16	Budget Apr-16	Budget May-16	Budget Jun-16	Budget Jul-16	Budget Aug-16	Budget Sep-16	Budget Oct-16	Budget Nov-16	Budget Dec-16	Year Ended 12/31/2016
Number of New Leases Per Month		0	0	0	0	0	0	0	0	0	0	0	0	0	0
SLIGHTLY USED-Vehicle Cost Type 2	$ 87,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Down Payment	25%														
Amount DP	$ 21,750	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Financed	$ 65,250	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest Rate	7%		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lease payment Principal			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Monthly Lease Period	48														
CASH OUTFLOW	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

NEW TYPE 2		Plan Dec-15	Budget Jan-16	Budget Feb-16	Budget Mar-16	Budget Apr-16	Budget May-16	Budget Jun-16	Budget Jul-16	Budget Aug-16	Budget Sep-16	Budget Oct-16	Budget Nov-16	Budget Dec-16	Year Ended 12/31/2016
Number of New Leases Per Month		0	0	4	4	4	4	4	0	0	0	0	0	0	20
NEW -Vehicle Cost Type 2	$ 120,000		$ -	$ 480,000	$ 480,000	$ 480,000	$ 480,000	$ 480,000	$ 480,000	$ -	$ -	$ -	$ -	$ -	$ 2,880,000
Down Payment	25%														
Amount DP	$ 30,000		$ -	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ -	$ -	$ -	$ -	$ -	$ 720,000
Financed	$ 90,000		$ -	$ 360,000	$ 360,000	$ 360,000	$ 360,000	$ 360,000	$ 360,000	$ -	$ -	$ -	$ -	$ -	$ 2,160,000
Interest Rate	7%		$ -	$ (2,100)	$ (4,162)	$ (6,186)	$ (8,171)	$ (10,117)	$ (12,025)	$ (11,793)	$ (11,560)	$ (11,326)	$ (11,091)	$ (13,654)	$ (102,185)
Lease payment Principal			$ -	$ (6,521)	$ (13,079)	$ (19,676)	$ (26,312)	$ (32,986)	$ (39,699)	$ (39,930)	$ (40,163)	$ (40,398)	$ (40,633)	$ (49,565)	$ (348,962)
Monthly Lease Period	48														
CASH OUTFLOW	Total		$ -	$ (128,621)	$(137,241)	$(146,862)	$(164,483)	$(163,103)	$(171,724)	$ (61,724)	$ (61,724)	$ (61,724)	$ (81,724)	$ (63,218)	$ (1,171,147)

TO BALANCE SHEET BUSINESS MODEL BY MONTH	Plan Dec-15	Budget Jan-16	Budget Feb-16	Budget Mar-16	Budget Apr-16	Budget May-16	Budget Jun-16	Budget Jul-16	Budget Aug-16	Budget Sep-16	Budget Oct-16	Budget Nov-16	Budget Dec-16	Year Ended 12/31/2016
Additional Cap Leases	$ -	$ -	$ 960,000	$ 960,000	$1,120,000	$1,120,000	$ 640,000	$ 640,000	$ 160,000	$ 160,000	$ 160,000	$ 160,000	$ -	$ 6,080,000
Principal & Down Payment	$ -	$ -	$ (253,041)	$ (266,159)	$ (281,526)	$ (296,983)	$ (305,466)	$ (314,542)	$ (197,151)	$ (199,774)	$ (202,413)	$ (205,068)	$ (222,952)	$ (2,745,077)
Interest New Leases	$ -	$ -	$ (4,200)	$ (8,324)	$ (13,071)	$ (17,729)	$ (20,022)	$ (22,440)	$ (22,705)	$ (22,955)	$ (23,190)	$ (23,409)	$ (28,513)	$ (206,557)

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Transcare Standard Rates

As of October 13, 2011

Transcare NY	
Companies: MET/MIC/LAB/LIC/EMS/WES	
Ambulette	$89.25
Ambulette Mileage	$4.20
BLS Non-Emergency Ambulance	$472.50
BLS Emergency Ambulance	$551.25
BLS Emergency Ambulance(EMS)	$577.50
BLS Mileage	$9.45
ALS Non-Emergency Ambulance	$630.00
ALS Emergency Ambulance	$708.75
ALS Emergency Ambulance(EMS)	$787.50
ALS Mileage	$9.45
ALS 2	$997.50
Critical Care/SCT/Neonate	$1,050.00
Critical Care Mileage	$9.45
EKG	$150.00
IV	$75.00
Oxygen	$50.00

As of October 13, 2011

Transcare PA	
Companies: PAB/PIC/SAB/SIC	
Ambulette	$52.50
Ambulette Mileage	$4.20
BLS Non-Emergency Ambulance	$420.00
BLS Emergency Ambulance	$551.25
BLS Mileage	$8.40
ALS Non-Emergency Ambulance	$551.25
ALS Emergency Ambulance	$603.75
ALS Mileage	$8.40
ALS2	$997.50
Critical Care/SCT/Neonate	$1,417.50
Critical Care Mileage	$8.40
EKG	$150.00
IV	$75.00
Oxygen	$50.00
Stretcher Van	$157.50
Stretcher Van Mileage	$3.15

As of October 13, 2011

Transcare MD	
Companies: BAB/BIC	
Wheelchair Van (Ambulette)	$84.00
Wheelchair Van Mileage	$3.15
BLS Non-Emergency Ambulance	$420.00
BLS Ambulance -ER	$551.25
BLS Mileage	$10.50
ALS Non-Emergency Ambulance	$656.25
ALS Emergency Ambulance	$708.75
ALS Mileage	$10.50
ALS2	$997.50
Critical Care Transport/SCT/Neonat	$1,417.50
Critical Care Mileage	$10.50
EKG	$150.00
IV	$75.00
Oxygen	$50.00

As of October 13, 2011

Transcare ML	
Companies: JAB/JIC	
Wheelchair Van (Ambulette)	$73.50
Wheelchair Van Mileage	$6.30
BLS Non-Emergency Ambulance	$420.00
BLS Emergency Ambulance	$551.25
BLS Mileage	$9.45
ALS Non-Emergency Ambulance	$840.00
ALS Emergency Ambulance	$840.00
ALS Mileage	$9.45
ALS2	$997.50
Critical Care Transport/SCT/Neonate	$1,417.50
Critical Care Mileage	$9.45
EKG	$150.00
IV	$75.00
Oxygen	$50.00

New York 911 & Core By Customer

	2015	2015	2015	2015	2015	2015	2015	2015	2015
NETWORK New York 911 EMS	VOLUME	TRIP REVENUE	SUBSIDY REV	NET REVENUE	COS	Gross Profit	GM%	%Rev	EBITDA
MT SINAI	25,987	$ 7,536,348	$ 2,270,000	$ 9,806,348	$ 5,844,583	$ 3,961,765	40.4%	27.4%	$ 1,926,235
MONTEFIORE	23,472	$ 6,807,024	$ 2,755,129	$ 9,562,153	$ 5,852,038	$ 3,710,115	38.8%	26.7%	$ 1,878,269
BRONX LEBANON	19,374	$ 5,618,496	$ 1,770,004	$ 7,388,500	$ 4,668,263	$ 2,720,236	36.8%	20.6%	$ 1,451,304
ST BARNABAS	15,741	$ 4,565,028	$ 1,346,619	$ 5,911,647	$ 3,824,835	$ 2,086,811	35.3%	16.5%	$ 1,161,209
NYU MEDICAL CENTER	8,569	$ 2,485,104	$ 668,249	$ 3,153,353	$ 2,144,280	$ 1,009,073	32.0%	8.8%	$ 619,405
Total All 911 Revenues	93,145	$ 27,012,000	$ 8,810,000	$ 35,822,000	$ 22,334,000	$ 13,488,000	37.7%	100.0%	$ 7,036,423
NETWORK New York Core	VOLUME	TRIP REVENUE	SUBSIDY REV	NET REVENUE	COS	Gross Profit	GM%	%Rev	EBITDA
MT SINAI	44,012	$ 13,203,724	$ 485,000	$ 13,688,724	$ 10,230,543	$ 3,458,181	25.3%	64.0%	$ (711,842)
MONTEFIORE	22,776	$ 6,832,276	$ 867,000	$ 7,699,276	$ 5,774,457	$ 1,924,819	25.0%	36.0%	$ (400,378)
Total All NY Core Revenues	66,787	$ 20,036,000	$ 1,352,000	$ 21,388,000	$ 16,005,000	$ 5,383,000	25.2%	100.0%	$ (1,112,220)
Total New York 911 and Core	159,931	$ 47,048,000	$ 10,162,000	$ 57,210,000	$ 38,339,000	$ 18,871,000	33.0%	100.0%	$ 5,924,203
Growth 2016 vs. 2015 - All									

	2016	2016	2016	2016	2016	2016	2016	2016	2016
NETWORK New York 911 EMS	VOLUME	TRIP REVENUE	SUBSIDY REV	NET REVENUE	COS	Gross Profit	GM%	%Rev	EBITDA
MT SINAI	26,563	$ 7,703,384	$ 2,724,107	$ 10,427,491	$ 5,963,583	$ 4,463,908	40.4%	27.4%	$ 2,073,125
MONTEFIORE	25,902	$ 7,511,557	$ 2,656,272	$ 10,167,829	$ 5,852,038	$ 4,315,791	38.8%	26.7%	$ 2,021,500
BRONX LEBANON	20,014	$ 5,804,042	$ 2,052,453	$ 7,856,494	$ 4,668,263	$ 3,188,231	36.8%	20.6%	$ 1,561,976
ST BARNABAS	16,013	$ 4,643,899	$ 1,642,197	$ 6,286,096	$ 3,824,835	$ 2,461,261	35.3%	16.5%	$ 1,249,760
NYU MEDICAL CENTER	8,542	$ 2,477,119	$ 875,970	$ 3,353,089	$ 2,144,280	$ 1,208,809	32.0%	8.8%	$ 666,639
Total All 911 Revenues	97,034	$ 28,140,000	$ 9,951,000	$ 38,091,000	$ 22,453,000	$ 15,638,000	37.7%	100.0%	#REF!
NETWORK New York Core	VOLUME	TRIP REVENUE	SUBSIDY REVENUE	NET REVENUE	COS	Gross Profit	GM%	%Rev	EBITDA
MT SINAI	55,817	$ 16,744,960	$ 1,527,680	$ 18,272,640	$ 13,266,560	$ 5,006,080	27.4%	64.0%	$ 1,765,120
MONTEFIORE	31,397	$ 9,419,040	$ 859,320	$ 10,278,360	$ 7,462,440	$ 2,815,920	27.4%	36.0%	$ 992,880
Total All NY Core Revenues	87,213	$ 26,164,000	$ 2,387,000	$ 28,551,000	$ 20,729,000	$ 7,822,000	27.4%	100.0%	$ 2,758,000
Total New York 911 and Core	184,248	$ 54,304,000	$ 12,338,000	$ 66,642,000	$ 43,182,000	$ 23,460,000	35.2%	100.0%	#REF!
Growth 2016 vs. 2015 - All	15.2%	15.4%	21.4%	16.5%	12.6%	24.3%			#REF!

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Region Rev-EBITDA By Month 2016

(amounts in thousands)	Year Ended 12/31/2014	Actual Jan-15	Actual Feb-15	Actual Mar-15	Actual Apr-15	Actual May-15	Actual Jun-15	Actual Jul-15	Actual Aug-15	Actual Sep-15	Plan Oct-15	Plan Nov-15	Plan Dec-15	Year Ended 12/31/2015	$ Change 15 vs. '14	% Change 15 vs. '14	Plan Jan-16
New York Revenues Core	20,786	1,880	1,634	1,696	1,639	1,579	1,594	1,539	1,585	1,690	1,600	1,478	1,300	19,214	(1,572)	-7.6%	1,430
NY Subsidy Core	1,197	115	108	115	112	115	112	115	100	100	120	120	120	1,352	155	12.9%	120
Transit Revenues	30,063	2,511	2,533	2,855	2,803	2,794	2,778	2,648	2,421	2,380	2,000	1,900	1,900	29,523	(540)	-1.8%	1,900
Maryland Revenues	8,891	655	606	674	607	638	546	500	496	580	500	500	550	6,852	(2,039)	-22.9%	500
Main Line Revenues	10,341	531	494	400	366	183	115	160	164	0	0	0	0	2,413	(7,928)	-76.7%	0
Main Line Subsidy	348	58	55	36	48	45	68	58	0	0	0	0	0	368	20	5.7%	0
Pittsburgh Revenues	7,250	612	560	535	540	515	506	490	489	515	480	480	480	6,202	(1,048)	-14.5%	480
Pittsburgh Subsidy	618	51	52	52	54	54	54	54	51	51	51	51	51	626	8	1.3%	51
NY 911 Revenues	31,112	2,094	1,770	2,081	2,137	2,422	2,753	2,161	2,278	2,278	2,400	2,300	2,070	26,744	(4,368)	-14.0%	2,300
NY 911 Subsidy	8,403	700	701	694	694	696	776	776	723	723	780	780	767	8,810	407	4.8%	740
Hudson Valley Revenues	8,952	855	768	777	764	818	816	752	726	860	720	820	820	9,496	544	6.1%	820
Hudson Valley Subsidy	2,708	222	217	223	238	235	226	256	225	225	225	225	225	2,742	34	1.2%	225
Billing Associates	452	41	36	42	39	36	26	27	29	35	35	27	35	410	(42)	-9.4%	27
All Revenues	131,122	10,325	9,534	10,180	10,042	10,130	10,370	9,536	9,287	9,437	8,911	8,681	8,318	114,752	(16,370)	-12.5%	8,618
																	8,672
																	54
New Mobile Products GM														0			15
New York Gross Margin Core	7,939	450	361	435	471	411	451	383	451	401	380	280	280	4,754	(3,185)	-40.1%	229
Transit Gross Margin	8,241	575	767	778	805	740	755	657	475	422	300	250	250	6,774	(1,467)	-17.8%	250
Maryland Gross Margin	2,249	75	82	142	99	77	18	(36)	29	113	12	25	25	661	(1,588)	-70.6%	15
Main Line Gross Margin	1,839	(20)	62	(6)	9	(80)	(66)	29	41	(36)	0	0	0	(67)	(1,906)	-103.6%	0
Pittsburgh Gross Margin	2,868	240	235	212	242	190	221	208	212	227	180	180	180	2,527	(341)	-11.9%	180
NY 911 Gross Margin	10,238	957	704	993	1,086	1,353	1,705	1,009	1,168	1,108	1,108	1,074	1,008	13,273	3,035	29.6%	1,140
Hudson Valley Gross Margin	3,739	423	403	377	468	369	458	325	315	453	315	315	315	4,536	797	21.3%	316
Billing Associates	439	42	36	42	39	35	26	27	29	21	21	21	21	360	(79)	-18.0%	20
Gross Margins	37,552	2,742	2,650	2,973	3,219	3,095	3,568	2,602	2,720	2,709	2,316	2,145	2,079	32,818	(4,734)	-12.6%	2,165
% of revenue	28.6%	26.6%	27.8%	29.2%	32.1%	30.6%	34.4%	27.3%	29.3%	28.7%	26.0%	24.7%	25.0%	28.6%	(0)	-0.1%	25.1%
New Mobile Products EBITDA														0			2
New York EBITDA Core	117	(176)	(237)	(137)	(62)	(90)	(91)	(154)	91	(86)	(200)	(260)	(290)	(1,682)	(1,800)	-1533.5%	(160)
Transit EBITDA	3,789	187	362	372	433	358	400	252	122	81	0	0	0	2,567	(1,222)	-32.3%	0
Maryland EBITDA	236	(58)	(52)	24	(6)	(25)	(80)	(122)	(90)	18	(35)	(35)	(35)	(472)	(708)	-300.0%	(35)
Main Line EBITDA	(1,690)	(256)	(150)	(176)	(158)	(196)	(163)	(57)	(31)	(102)	0	0	0	(1,289)	401	-23.7%	0
Pittsburgh EBITDA	647	51	36	38	59	43	48	41	47	52	0	0	0	415	(232)	-35.9%	23
NY 911 EBITDA	3,410	325	109	485	564	921	1,176	476	697	644	350	328	278	6,366	2,957	86.7%	366
Hudson Valley EBITDA	812	177	169	175	259	170	228	96	86	227	150	50	50	1,837	1,025	126.2%	100
Corp OH	(6,278)	(530)	(502)	(361)	(498)	(440)	(463)	(448)	(515)	(580)	(467)	(500)	(500)	(5,804)	474	-7.5%	(500)
Billing Associates	(555)	(42)	(34)	(41)	(36)	(45)	(46)	(60)	(60)	(53)	(45)	(55)	(55)	(572)	(17)	3.1%	(48)
EBITDA	488	(322)	(299)	379	555	706	1,009	24	370	201	(247)	(472)	(552)	1,365	877	179.8%	(254)
% of revenue	0.4%	-3.1%	-3.1%	3.7%	5.5%	7.0%	9.7%	0.3%	4.0%	2.1%	-2.8%	-5.4%	-6.6%	1.2%		0.0%	-2.9%

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Region Rev-EBITDA By Month 2016

(amounts in thousands)	Plan Feb-16	Plan Mar-16	Plan Apr-16	Plan May-16	Plan Jun-16	Plan Jul-16	Plan Aug-16	Plan Sep-16	Plan Oct-16	Plan Nov-16	Plan Dec-16	Plan 12/31/2016
New York Revenues Core	1,448	1,541	1,587	1,833	2,081	2,024	2,267	2,235	2,268	2,315	2,193	23,218
NY Subsidy Core	120	120	200	200	200	200	200	200	200	200	200	2,160
Transit Revenues	1,500	1,900	2,000	2,000	2,200	2,200	2,300	2,300	2,300	2,300	2,300	25,600
Maryland Revenues	500	500	650	750	750	750	750	750	750	750	750	8,150
Main Line Revenues	0	0	0	0	0	0	0	0	0	0	0	0
Main Line Subsidy	0	0	0	0	0	0	0	0	0	0	0	0
Pittsburgh Revenues	480	480	560	560	580	580	580	580	580	580	580	6,620
Pittsburgh Subsidy	51	51	51	51	51	51	51	51	51	51	51	612
NY 911 Revenues	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	27,600
NY 911 Subsidy	740	740	740	740	740	740	740	740	740	740	740	8,880
Hudson Valley Revenues	820	820	820	842	842	842	842	842	842	842	842	10,016
Hudson Valley Subsidy	225	225	225	225	225	225	225	225	225	225	225	2,700
Billing Associates	27	27	35	35	35	35	35	35	35	35	35	398
All Revenues	8,686	8,779	9,318	9,686	10,154	10,147	10,515	10,483	10,516	10,588	10,465	117,954
	8,995	9,175	9,755	10,067	10,358	10,342	10,505	10,543	10,581	10,644	10,644	120,281
	309	396	437	381	204	195	(10)	60	65	56	179	2,327
New Mobile Products GM	45	45	90	90	90	120	135	135	135	150	150	1,200
New York Gross Margin Core	186	189	361	462	644	695	825	965	964	956	870	7,346
Transit Gross Margin	250	250	250	300	400	460	550	540	561	570	572	5,013
Maryland Gross Margin	15	50	90	90	120	93	90	120	120	120	120	1,043
Main Line Gross Margin	0	0	0	0	0	0	0	0	0	0	0	0
Pittsburgh Gross Margin	180	180	180	240	260	240	240	240	240	240	240	2,660
NY 911 Gross Margin	1,140	1,140	1,140	1,140	1,240	1,200	1,194	1,140	1,140	1,140	1,140	13,894
Hudson Valley Gross Margin	350	400	400	400	400	400	400	400	400	400	400	4,666
Billing Associates	20	20	20	20	20	20	20	20	20	20	20	240
Gross Margins	2,186	2,274	2,531	2,742	3,234	3,228	3,454	3,560	3,580	3,596	3,512	36,062
% of revenue	25.2%	25.9%	27.2%	28.3%	31.8%	31.8%	32.8%	34.0%	34.0%	34.0%	33.6%	30.6%
New Mobile Products EBITDA	6	6	11	11	11	15	17	17	17	19	19	150
New York EBITDA Core	(190)	(160)	112	229	240	261	379	362	421	433	400	2,327
Transit EBITDA	0	0	0	0	104	125	125	125	125	125	125	854
Maryland EBITDA	(35)	(35)	0	0	0	0	0	0	0	0	0	(105)
Main Line EBITDA	0	0	0	0	0	0	0	0	0	0	0	0
Pittsburgh EBITDA	23	35	40	40	60	45	45	60	60	60	50	541
NY 911 EBITDA	326	388	384	432	700	680	695	780	780	780	699	7,010
Hudson Valley EBITDA	100	155	155	185	185	155	185	185	185	185	185	1,960
Corp OH	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(6,000)
Billing Associates	(48)	(48)	(48)	(48)	(48)	(48)	(48)	(48)	(48)	(48)	(50)	(578)
EBITDA	(318)	(159)	154	349	752	733	898	981	1,040	1,054	928	6,159
% of revenue	-3.7%	-1.8%	1.7%	3.6%	7.4%	7.2%	8.5%	9.4%	9.9%	10.0%	8.9%	5.2%

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Business Model By Month

* INCOME STATEMENT	Budget Jan-16	Budget Feb-16	Budget Mar-16	Budget Apr-16	Budget May-16	Budget Jun-16	Budget Jul-16	Budget Aug-16	Budget Sep-16	Budget Oct-16	Budget Nov-16
New Vehicles	0	7	7	8	8	5	1	1	1	1	1
In service vehicles	173	180	187	195	203	208	209	210	211	212	213
Average monthly revenue per v	$39,000	$39,000	$38,500	$39,000	$39,000	$38,500	$38,000	$38,000	$38,000	$38,000	$38,000
Ambulance Revenue	6,747,000	7,020,000	7,199,500	7,605,000	7,917,000	8,008,000	7,942,000	7,980,000	8,018,000	8,056,000	8,094,000
Net Revenue (All)	$8,672,000	$8,995,000	$9,174,500	$9,755,000	$10,067,000	$10,358,000	$10,342,000	$10,505,000	$10,543,000	$10,581,000	$10,644,000
Driver Compensation & Related	$4,509,440	$4,542,475	$4,495,505	$4,779,950	$4,832,160	$4,971,840	$4,922,792	$5,000,380	$5,018,468	$5,036,556	$5,066,544
Dispatch, Customer Service	$301,034	$312,118	$321,108	$341,425	$352,345	$362,530	$361,970	$367,675	$369,005	$336,975	$339,720
Fleet Compensation	$308,796	$320,179	$315,169	$330,992	$331,081	$340,706	$340,992	$347,286	$342,509	$345,734	$348,538
Work Compensation Costs	$260,160	$269,850	$275,235	$292,650	$302,010	$310,740	$310,260	$324,667	$332,719	$324,997	$329,512
Maintenance Costs	$248,751	$257,909	$253,871	$266,614	$266,676	$274,418	$274,646	$279,691	$275,904	$278,449	$280,717
Other Fees, Insurances	$234,366	$242,995	$239,190	$251,196	$251,255	$258,550	$258,765	$263,518	$259,950	$262,347	$264,484
Fuel, Tolls & Parking Costs	$225,472	$233,870	$238,537	$253,630	$261,742	$269,308	$268,892	$273,130	$274,118	$275,106	$276,744
Medical Supplies, Rentals & Repairs	$72,397	$75,075	$73,902	$77,614	$77,645	$79,912	$79,982	$81,481	$80,303	$81,109	$81,758
Communications	$35,107	$36,431	$35,869	$37,678	$37,718	$38,844	$38,885	$39,674	$38,951	$39,472	$39,765
All Other GOGS	$53,766	$55,769	$56,882	$60,481	$62,415	$64,220	$64,120	$65,131	$65,367	$65,602	$65,993
SUB TOTAL - COST OF SERVICE	$6,249,289	$6,346,671	$6,305,268	$6,692,230	$6,775,046	$6,971,068	$6,921,304	$7,042,633	$7,057,294	$7,046,347	$7,093,775
SUB TOTAL - GROSS PROFIT	$2,422,711	$2,648,329	$2,869,232	$3,062,770	$3,291,954	$3,386,932	$3,420,696	$3,462,367	$3,485,706	$3,534,653	$3,550,225
%	*27.9%*	*29.4%*	*31.3%*	*31.4%*	*32.7%*	*32.7%*	*33.1%*	*33.0%*	*33.1%*	*33.4%*	*33.4%*
Administrative Staffing	$1,023,296	$1,007,440	$1,027,544	$1,075,000	$1,075,000	$1,075,000	$1,075,000	$1,075,000	$1,075,000	$1,075,000	$1,075,000
Facility Costs	318,085	327,616	321,923	337,492	335,361	342,854	342,549	343,529	352,049	343,879	348,657
Insurance Auto/Liability	234,144	242,865	247,712	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Professional Fees	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
All Other SG&A	286,176	296,835	302,759	321,915	332,211	341,814	341,286	346,665	347,919	349,173	351,252
Bad Debt	520,320	539,700	550,470	487,750	503,350	517,900	517,100	525,250	527,150	529,050	532,200
TOTAL OPERATING EXPENSES	$2,522,021	$2,554,456	$2,590,407	$2,612,157	$2,635,922	$2,667,568	$2,665,935	$2,680,444	$2,692,118	$2,687,102	$2,697,109
EBITDA CURRENT BUSINESS	($99,310)	$93,873	$278,825	$450,613	$656,031	$719,364	$754,760	$781,922	$793,588	$847,550	$853,116
%	*-1.1%*	*1.0%*	*3.0%*	*4.6%*	*6.5%*	*6.9%*	*7.3%*	*7.4%*	*7.5%*	*8.0%*	*8.0%*
Interest Expense & Cap Lease	$429,018	$433,219	$437,344	$442,093	$446,751	$449,045	$451,464	$451,730	$451,981	$452,217	$452,437
Depreciation	155,077	155,077	155,077	155,077	155,077	155,077	155,077	155,077	155,077	155,077	155,077
All other	4,950	6,019	5,532	5,600	6,729	5,200	6,250	6,540	6,540	6,540	6,540
Income Tax	0	0	0	0	0	0	0	0	0	0	0
NET INCOME with RECOVERY	($688,356)	($500,443)	($319,128)	($152,157)	$47,474	$110,042	$141,969	$168,575	$179,990	$233,716	$239,062
%	*-7.9%*	*-5.6%*	*-3.5%*	*-1.6%*	*0.5%*	*1.1%*	*1.4%*	*1.6%*	*1.7%*	*2.2%*	*2.2%*

Business Model By Month

INCOME STATEMENT	Budget Jan-16	Budget Feb-16	Budget Mar-16	Budget Apr-16	Budget May-16	Budget Jun-16	Budget Jul-16	Budget Aug-16	Budget Sep-16	Budget Oct-16	Budget Nov-16
New Vehicles	0	7	7	8	8	5	1	1	1	1	1
In service vehicles	173	180	187	195	203	208	209	210	211	212	213
Average monthly revenue per v	$39,000	$39,000	$38,500	$39,000	$39,000	$38,500	$38,000	$38,000	$38,000	$38,000	$38,000
Ambulance Revenue	6,747,000	7,020,000	7,199,500	7,605,000	7,917,000	8,008,000	7,942,000	7,980,000	8,018,000	8,056,000	8,094,000

	Budget Jan-16	Budget Feb-16	Budget Mar-16	Budget Apr-16	Budget May-16	Budget Jun-16	Budget Jul-16	Budget Aug-16	Budget Sep-16	Budget Oct-16	Budget Nov-16
Cash	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000
Accounts Receivable (Net of reserve)	$20,551,491	$20,364,093	$20,479,730	$19,529,461	$20,934,882	$19,831,622	$19,527,660	$18,637,480	$19,467,698	$19,329,294	$18,973,892
Inventories	1,200,000	995,350	995,350	1,515,000	1,515,000	1,524,156	1,375,836	1,575,836	1,875,000	1,875,000	1,875,000
Prepaid Expenses	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Total Current Assets	$22,101,491	$21,710,043	$21,825,080	$21,394,461	$22,799,882	$21,705,778	$21,253,496	$20,563,316	$21,692,698	$21,554,294	$21,198,892
PPE (Net)	$3,104,486	$3,901,445	$4,595,286	$5,413,760	$6,256,777	$6,591,310	$6,916,768	$6,879,617	$6,839,843	$6,797,429	$6,752,362
Goodwill	13,547,506	13,547,506	13,547,506	13,547,506	13,547,506	13,547,506	13,547,506	13,547,506	13,547,506	13,547,506	13,547,506
Other Assets	6,205,085	6,205,085	6,205,085	6,205,085	6,205,085	6,205,085	6,205,085	6,205,085	6,205,085	6,205,085	6,205,085
TOTAL ASSETS	$45,048,568	$45,364,079	$46,172,957	$46,580,812	$48,809,250	$48,049,680	$47,922,855	$47,195,524	$48,285,132	$48,104,315	$47,703,844
Accounts Payable	$11,947,502	$11,227,502	$10,283,502	$10,077,832	$9,876,275	$9,678,750	$9,581,962	$9,486,143	$9,391,281	$9,297,368	$9,204,395
Accrued Expenses	$1,656,940	$1,856,940	$2,903,450	$2,860,801	$2,508,121	$2,486,158	$2,414,460	$2,479,083	$2,614,220	$2,732,677	$2,897,701
Accrued Compensated Absences	605,581	605,581	605,581	605,581	605,581	605,581	605,581	405,581	405,581	405,581	405,581
Line of Credit Borrowing	16,934,895	17,336,889	17,741,544	17,775,401	19,769,585	18,927,632	18,574,866	18,020,307	19,002,425	18,658,761	18,085,246
Current liabilities	$31,144,918	$31,026,912	$31,534,077	$31,328,615	$32,759,562	$31,698,121	$31,176,869	$30,391,114	$31,413,508	$31,114,387	$30,592,923
Term Loans	40,895,483	40,895,483	40,895,483	40,895,483	40,895,483	40,895,483	40,895,483	40,895,483	40,895,483	40,895,483	40,895,483
Capital Contribution	6,207,239	6,507,239	6,507,239	6,507,239	6,507,239	6,507,239	6,507,239	6,507,239	6,507,239	6,507,239	6,507,239
Capital Lease	1,009,488	1,643,447	2,264,288	3,029,762	3,779,779	3,971,607	4,224,065	4,113,914	4,001,139	3,885,726	3,767,658
Deferred Rent Payable	815,152	815,152	815,152	815,152	815,152	815,152	815,152	815,152	815,152	815,152	815,152
Deferred Tax Liability	3,821,396	3,821,396	3,821,396	3,821,396	3,821,396	3,821,396	3,821,396	3,821,396	3,821,396	3,821,396	3,821,396
TOTAL LIABILITIES	83,893,676	84,709,629	85,837,636	86,397,647	88,578,611	87,708,998	87,440,204	86,544,298	87,453,917	87,039,384	86,399,851
Equity (Deficit)	($38,845,108)	($39,345,550)	($39,664,678)	($39,816,835)	($39,769,361)	($39,659,319)	($39,517,350)	($39,348,775)	($39,168,785)	($38,935,069)	($38,696,007)
TOTAL EQUITY	($38,845,108)	($39,345,550)	($39,664,678)	($39,816,835)	($39,769,361)	($39,659,319)	($39,517,350)	($39,348,775)	($39,168,785)	($38,935,069)	($38,696,007)
TOTAL LIABILITIES & EQUITY	$45,048,569	$45,364,078	$46,172,957	$46,580,812	$48,809,250	$48,049,679	$47,922,855	$47,195,523	$48,285,132	$48,104,315	$47,703,844
Check: Assets - (Liab + Equity) = 0	($0)	$0	$0	$0	$0	$0	$0	$0	($0)	($0)	($0)

CASH FLOW STATEMENT	Budget Jan-16	Budget Feb-16	Budget Mar-16	Budget Apr-16	Budget May-16	Budget Jun-16	Budget Jul-16	Budget Aug-16	Budget Sep-16	Budget Oct-16	Budget Nov-16
Net Income/(Loss)	($688,356)	($500,443)	($319,128)	($152,157)	$47,474	$110,042	$141,969	$168,575	$179,990	$233,716	$239,062
Add back: Deprec. & Amortization	155,077	155,077	155,077	155,077	155,077	155,077	155,077	155,077	155,077	155,077	155,077
Bad debts	520,320	539,700	550,470	487,750	503,350	517,900	517,100	525,250	527,150	529,050	532,200
Deferred Tax Expense	0	0	0	0	0	0	0	0	0	0	0
Changes in operating assets & liabilities											
Decrease/(Increase) in AR & Other	656,950	186,799	(115,037)	950,269	(1,405,421)	1,103,260	303,962	890,180	(830,219)	138,404	355,403
Decrease/(Increase) in Inventory	0	204,650	0	(519,650)	0	(9,156)	148,320	(200,000)	(299,164)	0	0

Business Model By Month

INCOME STATEMENT	Budget Jan-16	Budget Feb-16	Budget Mar-16	Budget Apr-16	Budget May-16	Budget Jun-16	Budget Jul-16	Budget Aug-16	Budget Sep-16	Budget Oct-16	Budget Nov-16
New Vehicles	0	7	7	8	8	5	1	1	1	1	1
In service vehicles	173	180	187	195	203	208	209	210	211	212	213
Average monthly revenue per v	$39,000	$39,000	$38,500	$39,000	$39,000	$38,500	$38,000	$38,000	$38,000	$38,000	$38,000
Ambulance Revenue	6,747,000	7,020,000	7,199,500	7,605,000	7,917,000	8,008,000	7,942,000	7,980,000	8,018,000	8,056,000	8,094,000
Decrease/(Increase) in Pre-Paid	0	0	0	0	0	0	0	0	0	0	0
Increase/(Decrease) in AP & Other	(4,144,261)	(1,342,053)	(691,561)	(1,084,564)	(1,377,714)	(612,772)	(464,034)	(407,172)	(129,628)	(119,345)	(107,024)
CASH FLOW FROM OPERATIONS	($3,500,269)	($756,870)	($420,180)	($163,275)	($2,077,233)	$1,264,352	$802,394	$1,132,011	($396,795)	$936,905	$1,174,718
Purchase of Property and Equipment	$0	$706,959	$693,841	$838,474	$823,017	$134,534	$325,458	($37,151)	($39,774)	($42,413)	($45,068)
Lease New Fleet Vehicles	(73,000)	(326,041)	(339,159)	(354,526)	(369,983)	(378,466)	(387,542)	(270,151)	(272,774)	(275,413)	(278,068)
Proceeds from Disposal of Assets											
CASH FLOW FROM INVESTING	($73,000)	$380,917	$354,683	$483,948	$453,034	($43,933)	($62,085)	($307,302)	($312,549)	($317,827)	($323,135)
CASH FLOW BEFORE FINANCING	($3,573,269)	($375,953)	($65,497)	$320,673	($1,624,200)	$1,220,419	$740,309	$824,709	($709,344)	$619,078	$851,583
Proceeds (Repay) of Line of Credit	($532,969)	$401,994	$404,656	$33,857	$1,994,183	($841,953)	($352,766)	($554,559)	$982,118	($343,665)	($573,515)
Payments of Capital Lease Obligations	(73,000)	(326,041)	(339,159)	(354,526)	(369,983)	(378,466)	(387,542)	(270,151)	(272,774)	(275,413)	(278,068)
Proceeds (Pay down) Capital											
Proceeds from Term Loans	4,179,239	300,000	0	0	0	0	0	0	0	0	0
Deferred Financing Cost	0	0	0	0	0	0	0	0	0	0	0
CASH FLOW FROM FINANCING	$3,573,270	$375,952	$65,497	($320,669)	$1,624,200	($1,220,419)	($740,309)	($824,709)	$709,343	($619,078)	($851,583)
BEGINNING CASH BALANCE	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000
Net Change in Cash Balance	0	(0)	0	4	0	(0)	0	(0)	(0)	0	(0)
ENDING CASH BALANCE	$100,001	$100,000	$100,000	$100,004	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000

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Business Model By Month

INCOME STATEMENT	Budget Jan-16	Budget Feb-16	Budget Mar-16	Budget Apr-16	Budget May-16	Budget Jun-16	Budget Jul-16	Budget Aug-16	Budget Sep-16	Budget Oct-16	Budget Nov-16
New Vehicles	0	7	7	8	8	5	1	1	1	1	1
In service vehicles	173	180	187	195	203	208	209	210	211	212	213
Average monthly revenue per v	$39,000	$39,000	$38,500	$39,000	$39,000	$38,500	$38,000	$38,000	$38,000	$38,000	$38,000
Ambulance Revenue	6,747,000	7,020,000	7,199,500	7,605,000	7,917,000	8,008,000	7,942,000	7,980,000	8,018,000	8,056,000	8,094,000
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	1	[illegible]	[illegible]	4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Cost of Service components (% of Revenue)	Budget Jan-16	Budget Feb-16	Budget Mar-16	Budget Apr-16	Budget May-16	Budget Jun-16	Budget Jul-16	Budget Aug-16	Budget Sep-16	Budget Oct-16	Budget Nov-16
Driver Compensation & Related	52.0%	50.5%	49.0%	49.0%	48.0%	48.0%	47.6%	47.6%	47.6%	47.6%	47.6%
Dispatch, Customer Service	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.2%	3.2%
Fleet Compensation	3.6%	3.6%	3.4%	3.4%	3.3%	3.3%	3.3%	3.3%	3.2%	3.3%	3.3%
Work Compensation Costs	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.1%	3.2%	3.1%	3.1%
Maintenance Costs	2.9%	2.9%	2.8%	2.7%	2.6%	2.6%	2.7%	2.7%	2.6%	2.6%	2.6%
Other Fees, Insurances	2.7%	2.7%	2.6%	2.6%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Fuel, Tolls & Parking Costs	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
Medical Supplies, Rentals & Repairs	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Communications	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
All Other GOGS	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%

SG&A components (% of Revenue)	Budget Jan-16	Budget Feb-16	Budget Mar-16	Budget Apr-16	Budget May-16	Budget Jun-16	Budget Jul-16	Budget Aug-16	Budget Sep-16	Budget Oct-16	Budget Nov-16
Administrative Staffing	11.8%	11.2%	11.2%	11.0%	10.7%	10.4%	10.4%	10.2%	10.2%	10.2%	10.1%
Facility Costs	3.7%	3.6%	3.5%	3.5%	3.3%	3.3%	3.3%	3.3%	3.3%	3.2%	3.3%
Insurance Auto/Liability	2.7%	2.7%	2.7%	2.6%	2.5%	2.4%	2.4%	2.4%	2.4%	2.4%	2.3%
Professional Fees	1.6%	1.6%	1.5%	1.4%	1.4%	1.4%	1.4%	1.3%	1.3%	1.3%	1.3%
All Other SG&A	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%
Bad Debt	5.2%	5.2%	5.2%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

Term Loan - A	$26,070,964	$26,070,964	$26,070,964	$26,070,964	$26,070,964	$26,070,964	$26,070,964	$26,070,964	$26,070,964	$26,070,964	$26,070,964
Term Loan - B	$3,500,000	$3,500,000	$3,500,000	$3,500,000	$3,500,000	$3,500,000	$3,500,000	$3,500,000	$3,500,000	$3,500,000	$3,500,000
Term Loan - D	$2,961,053	$2,961,053	$2,961,053	$2,961,053	$2,961,053	$2,961,053	$2,961,053	$2,961,053	$2,961,053	$2,961,053	$2,961,053
Term Loan - E	$850,000	$850,000	$850,000	$850,000	$850,000	$850,000	$850,000	$850,000	$850,000	$850,000	$850,000
Term Loan - F	$3,417,120	$3,417,120	$3,417,120	$3,417,120	$3,417,120	$3,417,120	$3,417,120	$3,417,120	$3,417,120	$3,417,120	$3,417,120
Total Opening Balance	$36,799,137	$36,799,137	$36,799,137	$36,799,137	$36,799,137	$36,799,137	$36,799,137	$36,799,137	$36,799,137	$36,799,137	$36,799,137
Financing (Repayment)/Borrowings	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	36,799,137	36,799,137	36,799,137	36,799,137	36,799,137	36,799,137	36,799,137	36,799,137	36,799,137	36,799,137	36,799,137

Additional Capital Contribution											
Total Opening Balance	$0	$0	$3,646,269	$701,994	$4,050,925	$735,847	$6,045,108	$735,847	$6,045,108	$735,847	$7,027,226
Financing (Repayment)/Borrowings	$3,646,269	$701,994	$404,656	$33,853	$1,994,183	$0	$0	$0	$982,118	$0	$0
Ending Balance	$3,646,269	$701,994	$4,050,925	$735,847	$6,045,108	$735,847	$6,045,108	$735,847	$7,027,226	$735,847	$7,027,226

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Business Model By Month

INCOME STATEMENT	Budget Jan-16	Budget Feb-16	Budget Mar-16	Budget Apr-16	Budget May-16	Budget Jun-16	Budget Jul-16	Budget Aug-16	Budget Sep-16	Budget Oct-16	Budget Nov-16
New Vehicles	0	7	7	8	8	5	1	1	1	1	1
In service vehicles	173	180	187	195	203	208	209	210	211	212	213
Average monthly revenue per v	$39,000	$39,000	$38,500	$39,000	$39,000	$38,500	$38,000	$38,000	$38,000	$38,000	$38,000
Ambulance Revenue	6,747,000	7,020,000	7,199,500	7,605,000	7,917,000	8,008,000	7,942,000	7,980,000	8,018,000	8,056,000	8,094,000

FUNDING INTEREST	Calculation Jan-16	Calculation Feb-16	Calculation Mar-16	Calculation Apr-16	Calculation May-16	Calculation Jun-16	Calculation Jul-16	Calculation Aug-16	Calculation Sep-16	Calculation Oct-16	Calculation Nov-16
Average Balances											
Term Loan - A	$26,070,964	$26,070,964	$26,070,964	$26,070,964	$26,070,964	$26,070,964	$26,070,964	$26,070,964	$26,070,964	$26,070,964	$26,070,964
Term Loan - B	$3,500,000	$3,500,000	$3,500,000	$3,500,000	$3,500,000	$3,500,000	$3,500,000	$3,500,000	$3,500,000	$3,500,000	$3,500,000
Term Loan - D	$2,961,053	$2,961,053	$2,961,053	$2,961,053	$2,961,053	$2,961,053	$2,961,053	$2,961,053	$2,961,053	$2,961,053	$2,961,053
Term Loan - E	$850,000	$850,000	$850,000	$850,000	$850,000	$850,000	$850,000	$850,000	$850,000	$850,000	$850,000
Term Loan - F	$2,350,000	$2,350,000	$2,350,000	$2,350,000	$2,350,000	$2,350,000	$2,350,000	$2,350,000	$2,350,000	$2,350,000	$2,350,000
Term Loan - H	$110,243	$110,243	$110,243	$110,243	$110,243	$110,243	$110,243	$110,243	$110,243	$110,243	$110,243
Additional Capital Contribution	$1,823,135	$350,997	$3,848,597	$718,921	$5,048,016	$735,847	$6,045,108	$735,847	$6,536,167	$735,847	$7,027,226
ABL	$20,596,613	$20,596,613	$20,596,613	$20,596,613	$20,596,613	$20,596,613	$20,596,613	$20,596,613	$20,596,613	$20,596,613	$20,596,613
Interest Rate											
Term Loan - A	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
Term Loan - B	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Term Loan - D	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Term Loan - E	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Term Loan - F	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Term Loan - H	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Additional Capital Contribution	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
ABL	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Interest Expense											
Term Loan - A	$260,710	$260,710	$260,710	$260,710	$260,710	$260,710	$260,710	$260,710	$260,710	$260,710	$260,710
Term Loan - B	$7,292	$7,292	$7,292	$7,292	$7,292	$7,292	$7,292	$7,292	$7,292	$7,292	$7,292
Term Loan - D	$6,169	$6,169	$6,169	$6,169	$6,169	$6,169	$6,169	$6,169	$6,169	$6,169	$6,169
Term Loan - E	$1,771	$1,771	$1,771	$1,771	$1,771	$1,771	$1,771	$1,771	$1,771	$1,771	$1,771
Term Loan - F	$4,896	$4,896	$4,896	$4,896	$4,896	$4,896	$4,896	$4,896	$4,896	$4,896	$4,896
Additional Capital Contribution	$22,423	$22,424	$22,425	$22,426	$22,427	$22,428	$22,429	$22,430	$22,431	$22,432	$22,433
	$303,260	$303,261	$303,262	$303,263	$303,264	$303,265	$303,266	$303,267	$303,268	$303,269	$303,270
ABL	$85,000	$85,000	$85,000	$85,000	$85,000	$85,000	$85,000	$85,000	$85,000	$85,000	$85,000
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CAPITAL LEASE SUMMARY	Budget Jan-16	Budget Feb-16	Budget Mar-16	Budget Apr-16	Budget May-16	Budget Jun-16	Budget Jul-16	Budget Aug-16	Budget Sep-16	Budget Oct-16	Budget Nov-16
Existing Cap Lease Liability	$1,082,488	$1,009,488	$1,643,447	$2,264,288	$3,029,762	$3,710,074	$3,971,607	$4,224,065	$4,113,914	$4,001,139	$3,885,726
Principal Payments on Opening Cap Leas	(73,000)	(73,000)	(73,000)	(73,000)	(73,000)	(73,000)	(73,000)	(73,000)	(73,000)	(73,000)	(73,000)
Additional Cap Leases	0	960,000	960,000	1,120,000	1,120,000	640,000	640,000	160,000	160,000	160,000	160,000

Business Model By Month

INCOME STATEMENT	Budget Jan-16	Budget Feb-16	Budget Mar-16	Budget Apr-16	Budget May-16	Budget Jun-16	Budget Jul-16	Budget Aug-16	Budget Sep-16	Budget Oct-16	Budget Nov-16
New Vehicles	0	7	7	8	8	5	1	1	1	1	1
In service vehicles	173	180	187	195	203	208	209	210	211	212	213
Average monthly revenue per v	$39,000	$39,000	$38,500	$39,000	$39,000	$38,500	$38,000	$38,000	$38,000	$38,000	$38,000
Ambulance Revenue	6,747,000	7,020,000	7,199,500	7,605,000	7,917,000	8,008,000	7,942,000	7,980,000	8,018,000	8,056,000	8,094,000
Principal &Down Pay New Cap Leases	0	(253,041)	(266,159)	(281,526)	(296,983)	(305,466)	(314,542)	(197,151)	(199,774)	(202,413)	(205,068)
Ending Capital Leases Payable	$1,009,488	$1,643,447	$2,264,288	$3,029,762	$3,779,779	$3,971,607	$4,224,065	$4,113,914	$4,001,139	$3,885,726	$3,767,658
Interest - Opening Capital Leases	($40,759)	($40,759)	($40,759)	($40,759)	($40,759)	($40,759)	($40,759)	($40,759)	($40,759)	($40,759)	($40,759)
Interest - New Capital Leases	0	(4,200)	(8,324)	(13,071)	(17,729)	(20,022)	(22,440)	(22,705)	(22,955)	(23,190)	(23,409)
Interest Expense	($40,759)	($44,959)	($49,083)	($53,830)	($58,488)	($60,780)	($63,199)	($63,464)	($63,714)	($63,948)	($64,168)

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INCOME STATEMENT	Budget Dec-16	Year Ended 12/31/2016
New Vehicles	0	40
In service vehicles	213	
Average monthly revenue per v	$38,000	
Ambulance Revenue	8,094,000	
Net Revenue (All)	$10,644,000	$120,280,500
Driver Compensation & Related	$5,066,544	$58,242,654
Dispatch, Customer Service	$347,793	$4,113,697
Fleet Compensation	$356,838	$4,028,820
Work Compensation Costs	$334,481	$3,667,281
Maintenance Costs	$287,388	$3,245,034
Other Fees, Insurances	$270,769	$3,057,384
Fuel, Tolls & Parking Costs	$276,744	$3,127,293
Medical Supplies, Rentals & Repairs	$83,718	$944,898
Communications	$40,753	$459,147
All Other COGS	$65,993	$745,739
SUB TOTAL - COST OF SERVICE	$7,131,022	$81,631,947
SUB TOTAL - GROSS PROFIT	$3,512,978	$38,648,553
%	33.0%	32.1%
Administrative Staffing	$1,075,000	$12,733,280
Facility Costs	353,915	$4,067,911
Insurance Auto/Liability	250,000	$2,974,721
Professional Fees	140,000	$1,680,000
All Other SG&A	351,252	$3,969,257
Bad Debt	532,200	6,282,440
TOTAL OPERATING EXPENSES	$2,702,367	$31,707,608
EBITDA CURRENT BUSINESS	$810,612	$6,940,945
%	7.6%	5.8%
Interest Expense & Cap Lease	$457,542	$5,354,843
Depreciation	155,077	$1,860,924
All other	6,540	$72,980
Income Tax	0	0
NET INCOME with RECOVERY	$191,453	($347,802)
%	1.8%	-0.3%

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INCOME STATEMENT	Budget Dec-16	Year Ended 12/31/2016
New Vehicles	0	40
In service vehicles	213	
Average monthly revenue per v	$38,000	
Ambulance Revenue	8,094,000	

	Budget Dec-16
Cash	$100,000
Accounts Receivable (Net of reserve)	$18,726,075
Inventories	1,875,000
Prepaid Expenses	250,000
Total Current Assets	**$20,951,075**
PPE (Net)	$6,529,409
Goodwill	13,547,506
Other Assets	6,205,085
TOTAL ASSETS	**$47,233,076**
Accounts Payable	$9,112,351
Accrued Expenses	$2,957,972
Accrued Compensated Absences	405,581
Line of Credit Borrowing	17,750,749
Current liabilities	**$30,226,653**
Term Loans	40,895,483
Capital Contribution	6,507,239
Capital Lease	3,471,706
Deferred Rent Payable	815,152
Deferred Tax Liability	3,821,396
TOTAL LIABILITIES	**85,737,629**
Equity (Deficit)	($38,504,554)
TOTAL EQUITY	**($38,504,554)**
TOTAL LIABILITIES & EQUITY	**$47,233,075**
Check: Assets - (Liab. + Equity) = 0	$0

CASH FLOW STATEMENT	Budget Dec-16	Budget Year Ended 12/31/2016
Net Income/(Loss)	**$191,453**	($347,802)
Add back: Deprec. & Amortization	155,077	$1,860,924
Bad debts	532,200	$6,282,440
Deferred Tax Expense	0	$0
Changes in operating assets & liabilities		
Decrease/(Increase) in AR & Other	247,816	$2,482,366
Decrease/(Increase) in Inventory	0	($675,000)

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INCOME STATEMENT	Budget Dec-16	Year Ended 12/31/2016
New Vehicles	0	40
In service vehicles	213	
Average monthly revenue per v	$38,000	
Ambulance Revenue	8,094,000	
Decrease/(Increase) in Pre-Paid	0	$0
Increase/(Decrease) in AP & Other	22,807	($10,457,818)
CASH FLOW FROM OPERATIONS	$1,149,353	($854,890)
Purchase of Property and Equipment	($222,952)	$3,334,923
Lease New Fleet Vehicles	(295,952)	($3,621,077)
Proceeds from Disposal of Assets		
CASH FLOW FROM INVESTING	($518,905)	($286,153)
CASH FLOW BEFORE FINANCIN(	$630,449	($1,141,043)
Proceeds (Repay) of Line of Credit	($334,497)	$282,885
Payments of Capital Lease Obligations	(295,952)	($3,621,077)
Proceeds (Pay down) Capital		$0
Proceeds from Term Loans	0	$4,479,239
Deferred Financing Cost	0	$0
CASH FLOW FROM FINANCING	($630,449)	$1,141,047
BEGINNING CASH BALANCE	$100,000	$100,001
Net Change in Cash Balance	(0)	3
ENDING CASH BALANCE	$100,000	$100,003

• INCOME STATEMENT	Budget Dec-16	Year Ended 12/31/2016
New Vehicles	0	40
In service vehicles	213	
Average monthly revenue per v	$38,000	
Ambulance Revenue	8,094,000	

Cost of Service components (% of Revenue)	Budget Dec-16	Budget Year Ended 12/31/2016
Driver Compensation & Related	47.6%	48.4%
Dispatch, Customer Service	3.3%	3.4%
Fleet Compensation	3.4%	3.3%
Work Compensation Costs	3.1%	3.0%
Maintenance Costs	2.7%	2.7%
Other Fees, Insurances	2.5%	2.5%
Fuel, Tolls & Parking Costs	2.6%	2.6%
Medical Supplies, Rentals & Repairs	0.8%	0.8%
Communications	0.4%	0.4%
All Other GOGS	0.6%	0.6%

SG&A components (% of Revenue)	Budget Dec-16	Year Ended 12/31/2016
Administrative Staffing	10.1%	10.6%
Facility Costs	3.3%	3.4%
Insurance Auto/Liability	2.3%	2.5%
Professional Fees	1.3%	1.4%
All Other SG&A	3.3%	3.3%
Bad Debt	5.0%	5.2%

Term Loan - A	$26,070,964	$26,070,964
Term Loan - B	$3,500,000	$3,500,000
Term Loan - D	$2,961,053	$2,961,053
Term Loan - E	$850,000	$850,000
Term Loan - F	$3,417,120	$3,417,120
Total Opening Balance	$36,799,137	$36,799,137
Financing (Repayment)/Borrowings	$0	$0
	36,799,137	36,799,137

Additional Capital Contribution		
Total Opening Balance	$735,847	$7,027,226
Financing (Repayment)/Borrowings	$0	$4,762,120
Ending Balance	$735,847	$11,789,346

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INCOME STATEMENT	Budget Dec-16	Year Ended 12/31/2016
New Vehicles	0	40
In service vehicles	213	
Average monthly revenue per v	$38,000	
Ambulance Revenue	8,094,000	

FUNDING INTEREST	Calculation Dec-16	Calculation 12/31/2016
Average Balances		
Term Loan - A	$26,070,964	$26,070,964
Term Loan - B	$3,500,000	$3,500,000
Term Loan - D	$2,961,053	$2,961,053
Term Loan - E	$850,000	$850,000
Term Loan - F	$2,350,000	$2,350,000
Term Loan - H	$110,243	$110,243
Additional Capital Contribution	$735,847	$9,408,286
ABL	$20,596,613	$20,596,613
Interest Rate		
Term Loan - A	12.00%	12.00%
Term Loan - B	2.50%	2.50%
Term Loan - D	2.50%	2.50%
Term Loan - E	2.50%	2.50%
Term Loan - F	2.50%	2.50%
Term Loan - H	2.50%	2.50%
Additional Capital Contribution	2.50%	2.50%
ABL	6.00%	6.00%
Interest Expense		
Term Loan - A	$260,710	$3,128,516
Term Loan - B	$7,292	$87,500
Term Loan - D	$6,169	$74,026
Term Loan - E	$1,771	$21,250
Term Loan - F	$4,896	$58,750
Additional Capital Contribution	$22,434	$269,140
	$303,271	$3,639,182
ABL	$85,000	$1,020,000
	0	

CAPITAL LEASE SUMMARY	Budget Dec-16	
Existing Cap Lease Liability	$3,767,658	$1,082,488
Principal Payments on Opening Cap Leas	(73,000)	($876,000)
Additional Cap Leases	0	$6,080,000

INCOME STATEMENT	Budget Dec-16	Year Ended 12/31/2016
New Vehicles	0	40
In service vehicles	213	
Average monthly revenue per v	$38,000	
Ambulance Revenue	8,094,000	
Principal &Down Pay New Cap Leases	(222,952)	($2,745,077)
Ending Capital Leases Payable	$3,471,706	$3,541,411
Interest , Opening Capital Leases	($40,759)	($489,105)
Interest - New Capital Leases	(28,513)	($206,557)
Interest Expense	($69,271)	($695,661)

Summary Table

$ in thousands	2014	YTD Sept.	Oct.	Nov.	Dec.	2015	Jan.	Feb.	Mar.	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2016	F/(U) $ Var.	F/(U) % Var.
Revenue	$131,122	$88,841	$8,911	$8,681	$8,318	$114,752	$8,672	$8,995	$9,175	$26,842	$30,180	$31,390	$31,869	$120,281	$5,529	4.8%
Cost of Service	93,567	62,562	6,596	6,536	6,239	81,933	6,249	6,347	6,305	18,901	20,438	21,021	21,271	81,632	301	0.4%
Gross Margin	37,555	26,279	2,316	2,145	2,079	32,818	2,423	2,648	2,869	7,940	9,742	10,369	10,598	38,649	5,227	15.9%
Gross Margin %	28.6%	29.6%	26.0%	24.7%	25.0%	28.6%	27.9%	29.4%	31.3%	29.6%	32.3%	33.0%	33.3%	32.1%	3.5%	
Operating Expenses	37,067	23,642	2,563	2,617	2,631	31,453	2,522	2,554	2,590	7,667	7,916	8,038	8,087	31,708	(255)	-0.8%
Op. Exp. (% of revenue)	28.3%	26.6%	28.8%	30.1%	31.6%	27.4%	29.1%	28.4%	28.2%	28.6%	26.2%	25.6%	25.4%	26.4%	-1.0%	
EBITDA (after mgmt. fees)	488	2,636	-247	-472	-552	1,365	-99	94	279	273	1,826	2,330	2,511	6,941	5,575	408.3%
EBITDA Margin %	1.3%	3.0%	-2.8%	-5.4%	-6.6%	1.2%	-1.1%	1.0%	3.0%	1.0%	6.1%	7.4%	7.9%	5.8%		
Interest payments	(4,980)	(3,624)	(414)	(415)	(415)	(4,868)	(388)	(388)	(388)	(1,165)	(862)	(1,165)	(1,165)	(4,356)	(513)	10.5%
Capital expenditures	-	1	-	-	-	1	-	707	694	1,401	1,906	249	(310)	3,335	(3,334)	-315408.3%
Capital lease payments	(996)	(367)	(114)	(114)	(114)	(708)	(114)	(371)	(388)	(873)	(1,292)	(1,002)	(1,047)	(4,214)	3,506	-495.1%
Free Cash Flow	(5,488)	(1,354)	(775)	(1,001)	(1,081)	(4,210)	(601)	42	196	(364)	1,668	412	(11)	1,706	5,916	-140.5%
Summary Balance Sheet																
A/P (incl. PPAS/PPMG)	$15,174	$12,882	$13,104	$13,988	$13,298	$13,298	$11,948	$11,228	$10,284	$10,284	$9,679	$9,391	$9,112	$9,112	(4,185)	
Cumulative Change in A/P	3,995	-	222	1,106	416	416	(934)	(1,654)	(2,598)	(2,598)	(3,203)	(3,491)	(3,770)	(3,770)		
PPAS Current Loans	$36,266	$40,895	$40,895	$40,895	$40,895	$40,895	$40,895	$40,895	$40,895	$40,895	$40,895	$40,895	$40,895	$40,895	-	
Proposed Loans	$0	$0	$750	$750	$2,028	$2,028	$6,207	$6,507	$6,507	$6,507	$6,507	$6,507	$6,507	$6,507	4,479	
ABL	$17,722	$17,714	$17,204	$16,890	$17,468	$17,468	$16,935	$17,337	$17,742	$17,742	$18,928	$19,002	$17,751	$17,751	283	
Total Debt	$53,988	$58,610	$58,850	$58,535	$60,391	$60,391	$64,038	$64,740	$65,144	$65,144	$66,330	$66,405	$65,153	$65,153	4,762	

FYInc Stat 2015, 2016

INCOME STATEMENT	AUDITED Year Ended ###########	Percent Rev	Actual Year Ended December 31, 2014	Percent Rev	ESTIMATE December 31, 2015	Percent Rev	$ Variance	%	BUDGET December 31, 2016	Percent Rev	$ Variance	%
Revenue Current Base	$136,186,424		$131,122,094		$114,751,777	100.0%	-$16,370,317	-12.5%	$118,280,500	98.3%	$3,528,723	3.1%
TOTAL REVENUES ALL	$136,186,424		$131,122,094		$114,751,777	100.0%	-$16,370,317	-12.5%	$120,280,500	100.0%	$5,528,723	4.8%
Driver Compensation	$63,440,141	46.6%	$64,522,178	49.2%	$58,659,176	51.1%	-$5,863,002	-9.1%	$58,242,654	50.8%	-$416,522	-0.7%
Dispatch/Service Comp	4,298,488	3.2%	4,284,413	3.3%	$4,001,978	3.5%	-$282,435	-6.6%	$4,113,697	3.6%	$111,719	2.8%
Fleet Compensation	3,852,104	2.8%	4,420,558	3.4%	$4,319,033	3.8%	-$101,525	-2.3%	$4,028,820	3.5%	-$290,213	-6.7%
Work Compensation Costs	4,683,292	3.4%	6,195,305	4.7%	$3,388,227	3.0%	-$2,807,078	-45.3%	$3,667,281	3.2%	$279,054	8.2%
Maintenance Costs (inc accidents)	4,404,583	3.2%	4,015,824	3.1%	$3,249,254	2.8%	-$766,570	-19.1%	$3,245,034	2.8%	-$4,220	-0.1%
Other Fees, Insurances	2,923,729	2.1%	3,335,573	2.5%	$3,220,273	2.8%	-$115,300	-3.5%	$3,057,384	2.7%	-$162,888	-5.1%
Fuel, Tolls & Parking Costs	4,738,739	3.5%	4,409,241	3.4%	$3,027,178	2.6%	-$1,382,063	-31.3%	$3,127,293	2.7%	$100,115	3.3%
Medical Supplies, Rentals/Repairs	1,683,406	1.2%	1,031,311	0.8%	$845,819	0.7%	-$185,492	-18.0%	$944,898	0.8%	$99,079	11.7%
Communications	562,382	0.4%	557,646	0.4%	$505,068	0.4%	-$52,578	-9.4%	$459,147	0.4%	-$45,921	-9.1%
All Other GOGS	627,292	0.5%	794,806	0.6%	717,332	0.6%	-$77,474	-9.7%	745,739	0.6%	$28,408	4.0%
COST OF SERVICE CURRENT	$91,214,156	67.0%	$93,566,855	71.4%	$81,933,338	71.4%	-$11,633,517	-12.4%	$81,631,947	69.0%	-$301,391	-0.4%
GROSS PROFIT CURRENT	$44,972,268	33.0%	$37,555,239	28.6%	$32,818,439	28.6%	-$4,736,800	-12.6%	$38,648,553	32.7%	$5,830,114	17.8%
	33.0%		28.6%		28.6%				32.1%			
Administrative Staffing ex. WC	$15,211,045	11.2%	$14,967,896	11.4%	$12,810,312	11.2%	-$2,157,584	-14.4%	$12,733,280	10.6%	-$77,032	-0.6%
Facility Costs (incl Real Estate Tax)	4,693,198	3.4%	4,553,978	3.5%	$4,336,206	3.8%	-$217,772	-4.8%	$4,067,911	3.4%	-$268,295	-6.2%
Insurance - Auto & Liability	3,120,207	2.3%	3,215,959	2.5%	$2,903,017	2.5%	-$312,942	-9.7%	$2,974,721	2.5%	$71,704	2.5%
Professional Fees	2,202,487	1.6%	2,151,721	1.6%	$1,663,898	1.4%	-$487,823	-22.7%	$1,680,000	1.4%	$16,102	1.0%
All Other SG&A	3,757,848	2.8%	3,554,241	2.7%	$3,742,723	3.3%	$188,482	5.3%	$3,969,257	3.3%	$226,534	6.1%
Bad Debt	8,741,435	6.4%	8,622,981	6.6%	5,996,806	5.2%	-$2,626,175	-30.5%	6,282,440	5.2%	$285,634	4.8%
TOTAL OPERATING EXPENSES	$37,726,220	27.7%	$37,066,776	28.3%	$31,452,962	27.4%	-$5,613,814	-15.1%	$31,707,608	26.4%	$254,645	0.8%
EBITDA CURRENT BUSINESS	$7,246,048	5.3%	$488,463	0.4%	$1,365,477	1.2%	$877,013	179.5%	$6,940,945	5.8%	$5,575,469	408.3%
Interest Expense Debt PPAS	3,912,000	2.9%	3,912,000	3.0%	$4,027,106	3.5%	$115,106	2.9%	$3,660,000	3.0%	-$367,106	-9.1%
Interest Expense Bank (Wells)	840,000	0.6%	840,000	0.6%	$875,242	0.8%	$35,242	4.2%	$1,020,000	0.8%	$144,758	16.5%
Interest & LeaseExpense	276,798	0.2%	276,798	0.2%	$851,390	0.7%	$574,592	207.6%	$674,843	0.6%	-$176,547	-20.7%
Depreciation & Amortization	2,763,798	2.0%	2,407,136	1.8%	$1,982,926	1.7%	-$424,210	-17.6%	$1,860,924	1.5%	-$122,002	-6.2%
All other	63,815	0.0%	154,595	0.1%	$64,533	0.1%	-$90,062	-58.3%	$72,980	0.1%	$8,447	13.1%
Income Tax	$147,607	0.1%	$22,993	0.0%	$0	0.0%	-$22,993	-100.0%	$0	0.0%	$0	#DIV/0!
NET INCOME	($757,970)	-0.6%	($7,125,058)	-5.4%	($6,435,720)	-5.6%	$689,339	-9.7%	($347,802)	-0.3%	$6,087,918	-94.6%

FY Bal. Sheet 2015, 2016

BALANCE SHEET	Actual As of December 31, 2013	Forecast As of December 31, 2014	Plan As of December 31, 2015	Budget As of December 31, 2016
Cash	$330,511	$218,984	$100,000	$100,000
Accounts Receivable (Net)	17,391,264	18,541,208	$19,894,541	$18,726,075
Inventories	1,326,894	1,346,561	$1,200,000	$1,875,000
Prepaid Expenses	1,329,883	476,065	250,000	250,000
Total Current Assets	**$20,378,552**	**$20,582,818**	**$21,444,541**	**$20,951,075**
PPE (Net)	$5,325,933	$4,869,331	$3,194,486	$6,529,409
Goodwill	13,547,506	13,547,506	$13,547,506	$13,547,506
Other Assets	6,377,936	6,280,701	6,205,085	6,205,085
TOTAL ASSETS	**$45,629,927**	**$45,280,356**	**$44,391,618**	**$47,233,076**
Accounts Payable	$12,174,673	$15,174,186	$15,582,406	$12,070,323
Accrued compensated Absences	1,668,055	1,686,715	$855,581	$405,581
Line of Credit Borrowing	14,534,110	17,722,256	17,467,864	17,750,749
Current liabilities	**$28,376,838**	**$34,583,157**	**$33,905,851**	**$30,226,653**
Term Loans	$35,732,017	$36,265,577	$42,923,483	$47,402,722
Capital Lease	1,969,135	$1,988,223	$1,082,488	$3,471,706
Deferred rent payable	815,153	815,152	$815,152	$815,152
Deferred tax liability	3,821,396	3,821,396	3,821,396	3,821,396
TOTAL LIABILITIES	**$70,714,539**	**$77,473,505**	**$82,548,370**	**$85,737,629**
Equity (Deficit)	($25,084,612)	($32,193,149)	($38,156,752)	($38,504,554)
TOTAL SHAREHOLDERS EQUITY	**(25,084,612)**	**(32,193,149)**	**(38,156,752)**	**(38,504,554)**
TOTAL LIABILITIES & SHAREHOLDERS EQUITY	**$45,629,927**	**$45,280,356**	**$44,391,618**	**$47,233,075**

FY Cash Flow 2015, 2016

CASH FLOW STATEMENT	AUDITED For the Year Ended December 31, 2013	Forecast For the Year Ended December 31, 2014	Plan For the Year Ended December 31, 2015	Budget For the Year Ended December 31, 2016
Net Income/(Loss)	($757,820)	($7,076,242)	($5,758,805)	($347,802)
Add back: Depreciation and Amortization	2,766,570	2,405,476	$1,923,906	$1,860,924
Bad debts	8,741,435	8,656,129	$5,996,806	$6,282,440
Deferred tax expense	0	(82,047)	$0	$0
Changes in operating assets & liabilities				
Decrease/(Increase) in Accounts Receivable & Other Assets	(6,581,187)	(7,575,261)	($5,433,079)	$2,482,366
Decrease/(Increase) in Inventory	(98,599)	(19,667)	($842,040)	($675,000)
Decrease/(Increase) in Other Assets	(646,426)	606,649	$137,187	$0
Increase/(Decrease) in Accounts Payable				
Accrued Expenses & Other Liabilities	199,474	3,412,574	($2,390,755)	($10,457,818)
CASH FLOW FROM OPERATIONS	**$3,623,447**	**$327,610**	**($6,366,780)**	**($854,890)**
Purchase PPE and CAPEX new Fleet (Growth)	($561,768)	($579,412)	$0	($286,153)
Proceeds from disposal of assets	101,573	0	($1,057)	$0
CASH FLOW FROM INVESTING	**($460,195)**	**($579,412)**	**($1,057)**	**($286,153)**
CASH FLOW BEFORE FINANCING	**$3,163,252**	**($251,802)**	**($6,367,837)**	**($1,141,043)**
Proceeds from / (Repayment) of line of credit	($1,745,801)	$482,589	$2,281,492	$282,885
Payments of capital lease obligations	(1,525,351)	(996,071)	($876,000)	($3,621,077)
Proceeds from term loans (July Insurance Dpmnts)	350,000	533,560	$0	$0
Proceeds from new loans	0		$4,872,902	$4,479,239
CASH FLOW FROM FINANCING	**($2,921,152)**	**$20,078**	**$6,278,395**	**$1,141,047**
BEGINNING CASH BALANCE	$88,411	$330,511	$189,442	$100,001
Net Change in Cash Balance	242,100	(231,724)	(89,442)	2
ENDING CASH BALANCE	**$330,511**	**$98,787**	**$100,000**	**$100,003**

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